



AGENDA
Meeting
of the
BOARD OF DIRECTORS
of the
SANTA BARBARA METROPOLITAN TRANSIT DISTRICT
A Public Agency
Thursday, June 5, 2008
8:30 AM
TELEVISED (City TV Channel 18)
Santa Barbara MTD Auditorium
550 Olive Street, Santa Barbara, CA 93101

1. **CALL TO ORDER**
2. **ROLL CALL OF THE BOARD OF DIRECTORS**
John Britton, Chair; David Davis, Vice Chair; Brian Fahnestock, Secretary; Dick Weinberg, Director; Chuck McQuary, Director; Roger Aceves, Director; Sharon Anderson, Director
3. **REPORT REGARDING POSTING OF AGENDA**

CONSENT CALENDAR

4. **APPROVAL OF PRIOR MINUTES (Attachment- action may be taken)**
The Board will be asked to waive the reading of and approve the draft minutes for the meeting of May 20, 2008.
5. **CASH REPORT (Attachment- action may be taken)**
The Board will be asked to review the cash report from May 13, 2008 through May 26, 2008.

CEREMONIAL ITEM

6. **EMPLOYEES' SPOTLIGHT**
The following employees will be honored as MTD Employee's of the Quarters, for their outstanding performances:
 - Rene Carrillo, Utility Worker July-September 2007
 - Joe Mendoza, Driver October-December 2008
 - John Vasquez , Driver January-March 2008
7. **RETIREMENTS**
The Board will honor the recent retirements of:
 - Henry Andrews, Transit Center Supervisor (36 years).
 - Antonio Ramirez, Driver (30 years)
 - Donald Jackson, Driver (21 years)

THIS CONCLUDES THE CONSENT CALENDAR

8. PUBLIC COMMENT

Members of the public may address the Board on items within the jurisdiction of the Board that are not scheduled for public hearing. The time allotted per speaker will be at the discretion of the Board Chair. If you wish to address the Board under this item number, please complete and deliver to the MTD Board Clerk **before the meeting is convened**, a "Request to Speak" form including a description of the subject you wish to address.

9. MASTER AGREEMENT WITH CITY OF SANTA BARBARA PUBLIC WORKS DEPARTMENT (Attachment- action may be taken)

The Board will be asked to authorize the General Manager to enter into a master agreement with the City of Santa Barbara Public Works Department regarding transit related services and capital.

10. WORKERS' COMPENSATION EXCESS INSURANCE RENEWAL (Attachment- action may be taken)

The Board will be asked to authorize the General Manager to continue a self-insured program for Workers' Compensation claims and Excess Insurance coverage with the District's current carriers.

11. FISCAL YEAR 2008-09 PROPOSED BUDGET (Attachment-Action may be taken)

The Board will review the fiscal year 2008-09 proposed budget.

12. GENERAL MANAGER REPORT

- a) FTA Triennial Audit
- b) Clean Air Express Route
- c) 5307 Operating Grant
- d) 1B Transit Capital Funds (buses)
- e) 1B Safety & Security Funds
- f) South Coast Subregional Committee
- g) Other

13. OTHER BUSINESS AND COMMITTEE REPORTS

The Board will report on related public transit issues and committee meetings.

14. ADJOURNMENT

AMERICANS WITH DISABILITIES ACT: If you need special assistance to participate in this meeting, please contact the MTD Administrative Office at 963-3364 at least **48 hours in advance** of the meeting to allow time for MTD to attempt a reasonable accommodation.



**DRAFT MINUTES
of the
Meeting of the
Board of Directors
of the
Santa Barbara Metropolitan Transit District
A Public Agency**

**Tuesday, May 20, 2008
8:30 AM**

**Santa Barbara Metropolitan Transit District Auditorium
550 Olive Street, Santa Barbara, CA 93101**

MEMBERS PRESENT:

John Britton, Chair; Dave Davis, Vice Chair; Brian Fahnestock, Secretary; Dick Weinberg, Director; Roger Aceves, Director; Chuck McQuary, Director; Sharon Anderson, Director

DISTRICT EMPLOYEES PRESENT:

Sherrie Fisher, General Manager; Jerry Estrada, Assistant GM/Controller; Tiara Lakey, Executive Assistant to the General Manager and Board; Steve Maas, Manager of Strategic Planning and Compliance; David Damiano, Manager of Transit Development & Community Relations; Paul Tumbleson, Senior Scheduler

MEMBERS OF THE PUBLIC:

Helene Schneider, City of Santa Barbara Councilmember/MTD Liaison; Bob Fatch, MTD Insurance Broker of Brown & Brown Insurance

1. CALL TO ORDER

Chair Britton called the meeting to order at 8:30 AM.

2. ROLL CALL OF THE BOARD OF DIRECTORS

Chair Britton reported that all members were present.

3. REPORT REGARDING POSTING OF AGENDA

Tiara Lakey, Executive Assistant to the Board and the General Manager reported that on Friday, May 16, 2008, the agenda for this meeting was posted at MTD's administrative headquarters, on MTD's website, mailed to all who have requested the agenda and sent to the media of general circulation.

CONSENT CALENDAR

4. APPROVAL OF PRIOR MINUTES

Director Fahnestock moved to waive the reading of and approve the draft minutes for the meeting of May 6, 2008. Vice Chair Davis seconded the motion. The motion passed unanimously.

5. CASH REPORT

Director Fahnestock moved to approve the cash report from April 29, 2008 through May 12, 2008. Director Weinberg seconded the motion. The motion passed unanimously.

THIS CONCLUDES THE CONSENT CALENDAR

6. PUBLIC COMMENT

No comments made.

7. PROPERTY INSURANCE

The General Manager and MTD's Insurance Broker, Bob Fatch of Brown & Brown provided the Board with information related to staff's recommendation to renew property insurance through Golden Eagle Insurance Company effective May 24, 2008 through May 23, 2009.

The Board discussed staff's additional recommendation of deferring the purchase of specific insurance coverage, such as fleet, earthquake and flood coverage to the Finance Committee. Any recommendations following that meeting would be presented to the full Board.

Following further discussion, Vice Chair Davis moved to authorize staff's recommendation of renewing the District's property insurance with Golden Eagle Insurance Company and to defer the specific insurance coverage discussion and review to the Finance Committee. Director Fahnestock seconded the motion. The motion passed unanimously.

8. PROPOSED SERVICE PLAN FOR FY 08/09

The General Manager and David Damiano, Manager of Transit Development & Community Relations reviewed the proposed service plan for FY 08/09, which includes changes to the Lines 4 & 17 and 8 & 9.

Mr. Damiano explained the proposed interlining of the Lines 4 & 17. He stated that the change would provide more efficient service to and from the Mesa. Current Downtown Circulator service on the Line 4 would be reallocated to the Mesa.

The General Manager stated that due to very low ridership along a portion of the current Line 8, she supports the changes to Lines #'s 8 & 9. This will provide a savings in revenue hours. Additionally, she and Mr. Damiano recently met with Janet Wolf, Second District Supervisor, and her staff to hear their concerns related to any reduction in the Second Supervisorial District.

Due to the Board's concerns expressed at the May 6th Board meeting and those of Supervisor Wolf, the General Manager reported that the previous proposed changes have been reconfigured, continuing some service (six daily trips) between Turnpike and Kellogg.

In response to a question by Director Fahnestock, Jerry Estrada, Assistant General Manager/Controller reported that to run the continued portion of the service will cost approximately \$50-75,000 annually.

Mr. Damiano reminded the Board that many months prior to making any service changes, the District had met with staff of the local jurisdictions, hosted numerous public input meetings throughout the community including UCSB & SBCC, distributed information on buses and placed advertisements in the local media. During the process, there was very little opposition received to the proposed service changes.

Following thorough discussion related the proposed service plan for FY 08/09; Director Aceves moved to approve the plan. Director Fahnestock seconded the motion. The motion passed. Vice Chair Davis opposed.

9. VALLEY EXPRESS FUNDING REQUEST

The General Manager reported that on May 15th, she had attended the Santa Barbara County Association of Government's (SBCAG) Board meeting. SBCAG's Board unanimously approved of MTD's request, also supported by SBCAG staff, to amend the Measure D Expenditure Plan to allow for

funding of the Valley Express. This approval includes a reduction from four to three trips and to provide funding to MTD to operate one additional Clean Air Express trip from Lompoc to the South Coast.

The General Manager also read a letter to MTD's Board from Jim Kemp, Executive Director of the Santa Barbara County Association of Governments, thanking the Board for their assistance with the expansion of the Clean Air Express service.

Following further discussion, Director Fahnestock moved to approve staff's recommendation regarding revisions to the Valley Express Service and to provide one additional Clean Air Express trip to the South Coast from Lompoc. Vice Chair Davis seconded the motion. The motion passed unanimously.

10. WHARF WOODY SHUTTLE SERVICE AGREEMENT

Mr. Estrada provided the Board with a review of staff's request to authorize the General Manager to enter into an Agreement with the City of Santa Barbara for Wharf Woody Shuttle service.

Following the review, Director Aceves moved to authorize staff's request. Vice Chair Davis seconded the motion. The motion passed unanimously.

11. CONTRACT AWARD FOR PROFESSIONAL AUDITING SERVICES

After brief discussion, Director Fahnestock moved to authorize staff's request to award a contract for professional auditing services to McGowan Guntermann. Vice Chair Davis seconded the motion. The motion passed unanimously.

12. ADVERTISING RATE INCREASE

The General Manager reviewed staff's recommendation to increase MTD's contract advertising rates by 15% for all new contracts effective July 1, 2008.

Following the review, Director Weinberg moved to authorize the increase. Director Anderson seconded the motion. The motion passed unanimously.

13. AMEND MTD PROCURMENT MANUAL TO CLARIFY AUTHORITY TO UTILIZE COOPERATIVE PURCHASING AGREEMENTS

Brad Davis, Assistant Controller explained staff's recommendation to amend MTD's Procurement Manual to add Section 7.9 Cooperative Purchasing which clarifies this source selection method for procuring MTD goods and services. Mr. Davis informed the Board that by making this amendment, the District would be able to enter into cooperative purchase agreements with other agencies.

Following the review, Director Weinberg moved to authorize staff's request to amend Section 7.9 of MTD's Procurement Manual. Director Aceves seconded the motion. The motion passed unanimously.

Mr. Estrada noted that the Procurement Policy will be reviewed by the Finance Committee in the near future.

14. GENERAL MANAGER REPORT

Chair Britton reported that on May 13th, the General Manager celebrated 34 years with the District. She was congratulated by the Board and thanked for all of her efforts and years of service.

The General Manager reported that she and Director McQuary attended the recent meeting of the Carpinteria City Council, where they presented the District's Annual Report.

Mr. Estrada provided the Board with a report on the Coastal Express Steering Committee meeting that he attended. He reported that at the meeting, the Committee discussed interregional services and potential concerns related to the future of these services, if Measure A does not pass. He noted that

the Committee will meet again in January.

In their packets, the Board received the City of Santa Barbara Service Report for April 2008.

The General Manager provided the Board with mandatory AB 1234 Ethics retraining information.

Vice Chair Davis invited the Board to attend the Community Environmental Council's May 29th, Tri-County Energy Summit. Vice Chair Davis noted that the main portion of the Summit will take place prior to the City of Goleta's First State of the City event, which will be held the same day. He encouraged the Board to attend both of the noteworthy events if possible.

The General Manager provided the Board with information regarding the City of Goleta's First State of the City event.

The General Manager invited the Board to attend the District's June 4th Pot Luck Retirement Party, honoring the retirements of Tony Ramirez, Don Jackson, Inge Holdt and Henry Andrews.

The General Manager requested that the Finance Committee meet on June 3rd at 8:30 AM to review the proposed budget. She added that Tiara Lakey, Executive Assistant to the Board and General Manager would follow-up with the members to confirm their availability.

15. OTHER BUSINESS AND COMMITTEE REPORTS

None were reported.

16. RECESS TO CLOSED SESSION- 5353 OVERPASS ROAD

The Board will meet in closed session pursuant to Government Code §54956.8, conference with real property negotiators regarding lease of the MTD owned 5353 Overpass Road Property; MTD negotiators Bob Tuler & Brian Johnson, Agents, Radius Commercial Real Estate.

Upon returning to open session, Chair Britton reported the Board had authorized the General Manager to negotiate and enter into a lease agreement for the District's 5353 Overpass property with Verizon of California.

17. ADJOURNMENT

Santa Barbara Metropolitan Transit District
Cash Report
Board Meeting of June 3, 2008
For the Period May 13, 2008 through May 26, 2008

MONEY MARKET

Beginning Balance May 13, 2008 **\$4,029,281.08**

FTA Operating Assistance	4,011,629.00	
SB-325 (LTF)	574,227.84	
Accounts Receivable	219,937.00	
Passenger Fares	164,350.66	
Advertising & Prepaid Dep	63,104.06	
UCSB Fares	58,628.14	
Miscellaneous	997.15	
Property Tax Revenue	611.59	
Total Deposits	<u>5,093,485.44</u>	

Transfer to SBCAG	(1,155.00)	
ACH Garnishment Trf	(3,629.90)	
ACH Pensions Transfer	(32,767.66)	
ACH Tax Deposit	(115,662.98)	
Operations Transfer	(263,434.90)	
Payroll Transfer	(272,558.43)	
Total Disbursements	<u>(689,208.87)</u>	

Ending Balance **\$8,433,557.65**

Total Cash and Investments as of May 26, 2008: **\$8,433,557.65**

COMPOSITION OF CASH BALANCE

Working Capital	7,128,416.67	
WC / Liability Reserves	1,305,140.98	
Total Cash Balance	<u>\$8,433,557.65</u>	

**Santa Barbara Metropolitan Transit District
Cash Receipts of Accounts Receivable**

Date	Company	Description	Amount
5/9/2008	UCSB - Contract Fares	Contract Fares - April 08	64,500.00
5/13/2008	Department of Rehabilitation	Passes/Token Sales	41.00
5/13/2008	Department of Rehabilitation	Passes/Token Sales	18.00
5/13/2008	Department of Rehabilitation	Passes/Token Sales	18.00
5/13/2008	Homes & Land Magazine	Advertising on Buses	700.00
5/13/2008	Mr. Jim Rubino	Health Insurance - Cobra	237.93
5/13/2008	SBCC - Adult Ed. Student Body	Passes/Passports Sales	1,136.00
5/13/2008	The Jewelry Mart	Advertising on Buses	250.00
5/14/2008	City of SB - Public Works	Advertising on Buses	2,000.00
5/15/2008	Godzilla Graphics	Advertising on Buses	3,013.25
5/19/2008	Business First National Bank	Advertising on Buses	800.00
5/19/2008	Business First National Bank	Advertising on Buses	800.00
5/19/2008	KSBY TV 6	Advertising on Buses	260.00
5/20/2008	Wayne Kosaka Design	Advertising on Buses	3,080.00
5/21/2008	City of SB Creeks Division	Advertising on Buses	420.00
5/21/2008	County of Santa Barbara	Passes/Token Sales	2,720.00
5/21/2008	County of Santa Barbara	Passes/Token Sales	1,237.50
5/22/2008	City of SB - Browning Allen	Dwntwn. Wtrfrnt. Shuttle - May 08	84,087.35
5/22/2008	City of SB - Commuter Lot	Commuter Lot Shuttle - May 08	15,831.29
5/22/2008	City of SB - Transit Enhancement	Transit Enhancement - BVD 1,2,3 May 08	38,786.68
Total Accounts Receivable Paid During Period			\$219,937.00

**Santa Barbara Metropolitan Transit District
Accounts Payable**

Check #	Date	Company	Description	Amount	Voids
89612	5/14/2008	AQUA-FLO	B&G REPAIRS & SUPPLIES	56.83	
89613	5/14/2008	ARCHBALD & SPRAY	LEGAL COUNSEL	4,722.21	
89614	5/14/2008	AMERICAN NAMEPLATE COMPANY	DRIVER NAME BADGES	173.27	
89615	5/14/2008	ASBURY ENVIRONMENTAL SERVIC	WASTE OIL RECYCLER	89.00	
89616	5/14/2008	BATTERY SYSTEMS OF OXNARD	BUS PARTS	1,922.17	
89617	5/14/2008	BOWMAN DISTRIBUTION	SHOP SUPPLIES	167.52	
89618	5/14/2008	BUENA TOOL, INC.	SHOP SUPPLIES	63.86	
89619	5/14/2008	CALIFORNIA ELECTRIC SUPPLY, IN	B&G/SHOP SUPPLIES	628.84	
89620	5/14/2008	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	330.38	
89621	5/14/2008	CERTIFIED ENVIRONMENTAL	PROFESSIONAL SERVICES	2,456.35	
89622	5/14/2008	CENTRAL COAST CIRCULATION, LL	BUS BOOK DISTRIBUTION	575.00	
89623	5/14/2008	CINTAS FIRST AID & SAFETY DB	FIRST AID SUPPLIES	162.67	
89624	5/14/2008	COAST TRUCK PARTS	BUS PARTS	61.69	
89625	5/14/2008	CROCKER REFRIGERATION & AIR	HVAC MAINTENANCE	177.79	
89626	5/14/2008	CUMMINS CAL PACIFIC LLC	BUS PARTS	145.81	
89627	5/14/2008	CRAIN AUTO ELECTRIC	BUS PARTS	245.80	
89628	5/14/2008	EVERYTHING ELECTRIC	BUS PARTS	99.06	
89629	5/14/2008	FERRO MAGNETIC CORPORATION	BUS CHARGING EQUIPMENT	20,954.78	
89630	5/14/2008	FORD GRAPHICS	PRINTING SERVICES	112.01	
89631	5/14/2008	GFI GENFARE, INC.	FAREBOX REPAIRS & PARTS	1,930.01	
89632	5/14/2008	GIBBS INTERNATIONAL INC	BUS PARTS/SUPPLIES	2,614.40	
89633	5/14/2008	GILLIG CORPORATION	BUS PARTS	14.51	
89634	5/14/2008	GRAHAM CHEVROLET CORP.	SERVICE VEHICLE PARTS	6.59	
89635	5/14/2008	HOME IMPROVEMENT CTR.	SHOP/B&G SUPPLIES	158.68	
89636	5/14/2008	J n L GLASS INC.	REPLACE BUS WINDOWS	2,099.00	
89637	5/14/2008	JORGENSEN, MELODY	SURVEYOR	39.00	
89638	5/14/2008	KIMBALL MIDWEST	SHOP SUPPLIES	218.52	
89639	5/14/2008	KRAUS, HOWARD	SURVEYOR	38.00	
89640	5/14/2008	KRIEDMAN, TIMOTHY L.	SURVEYOR	25.00	
89641	5/14/2008	KEYT-TV (SMITH MEDIA) DBA	ADVERTISING	2,700.00	
89642	5/14/2008	KJEE 92.9 FM DBA	MEDIA ADS	2,430.00	
89643	5/14/2008	LANSPEED DBA	SOFTWARE SUPPORT	56.25	
89644	5/14/2008	LARA'S AUTO REPAIR DBA	BUS REPAIRS	90.00	
89645	5/14/2008	MC CORMIX CORP. (OIL)	LUBRICANTS	1,291.88	
89646	5/14/2008	MCMASTER-CARR SUPPLY CO.	SHOP SUPPLIES	9.91	
89647	5/14/2008	MEDELLIN-BAILON, YOLANDA L.	SURVEYOR	499.80	
89648	5/14/2008	MIKE CUEVAS GARDENING SERIVC	LANDSCAPE MAINTENANCE SERVICE	632.00	

Check #	Date	Company	Description	Amount	Voids
89649	5/14/2008	MUZICRAFT, INC	TC CONTRACT MAINTENANCE	38.00	
89650	5/14/2008	NU-COOL REDI GREEN	COOLANTS & SHOP SUPPLIES	250.43	
89651	5/14/2008	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	1,315.94	
89652	5/14/2008	ON THE WALL ADVERTISING, CORP	MTD AD CAMPAIGN	2,755.00	
89653	5/14/2008	PETTY CASH- HAHN, STEVE	MISC SHOP NEEDS	79.11	
89654	5/14/2008	PB- RESERVE ACCOUNT	PREPAID POSTAGE	1,000.00	
89655	5/14/2008	PLATINUM PLUS FOR BUSINESS	MISC. CREDIT CARD CHARGES	6,662.29	
89656	5/14/2008	POWER MACHINERY CENTER, INC.	BUS PARTS	186.36	
89657	5/14/2008	PRAXAIR DISTRIBUTION, INC.	SHOP SUPPLIES	49.28	
89658	5/14/2008	PRESTIGE TIRE & AUTO SERVICE, I	SERVICE VEHICLE REPAIRS	32.52	
89659	5/14/2008	RAPHAEL, JAMES SCOTT	SURVEYOR	37.00	
89660	5/14/2008	RELECTRIC, INC DBA	B&G REPAIRS & SUPPLIES	140.23	
89661	5/14/2008	REPUBLIC ELEVATOR, INC	ELEVATOR MAINTENANCE	119.75	
89662	5/14/2008	RINCON BROADCASTING LLC	MEDIA ADVERTISING	1,380.00	
89663	5/14/2008	SANTA BARBARA DAILY SOUND, L	MEDIA ADS	1,635.00	
89664	5/14/2008	SB INDEPENDENT INC.	MEDIA ADS	2,310.00	
89665	5/14/2008	SB LOCKSMITHS, INC.	B&G REPAIR & SUPPLIES	17.24	
89666	5/14/2008	SD AUTO PARTS (NAPA) DBA	SV/BUS PARTS	134.27	
89667	5/14/2008	SANTA BARBARA NEWS-PRESS D	PUBLIC NOTICES	38.72	
89668	5/14/2008	SERVICE MASTER OF SANTA BARB	JANITORIAL SERV./SUPPLIES	6,198.40	
89669	5/14/2008	SANTA BARBARA SIGNS, INC. DBA	PRINTING SERVICES	666.43	
89670	5/14/2008	SM TIRE, CORP.	BUS TIRE MOUNTING	478.35	
89671	5/14/2008	SMARDAN-HATCHER CO., INC	B&G REPAIRS & SUPPLIES	94.56	
89672	5/14/2008	SMART & FINAL	OFFICE SUPPLIES	55.12	
89673	5/14/2008	SO. CAL. EDISON CO.	UTILITIES	1,504.56	
89674	5/14/2008	SOAP MAN DISTRIBUTIN DBA	CLEANING SUPPLIES	419.90	
89675	5/14/2008	SC FUELS DBA	FUEL	86,110.17	
89676	5/14/2008	SPECIALTY TOOL & BOLT	SHOP SUPPLIES	1,271.10	
89677	5/14/2008	SPORTWORKS NORTHWEST INC.	BIKE RACK PARTS	878.72	
89678	5/14/2008	TRUCK TRAILER TRANSIT	BUS PARTS	1,332.91	
89679	5/14/2008	TRI-COUNTY AUTO GLASS INC	REPLACE BUS WINDOWS	565.00	
89680	5/14/2008	TRANSIT PRODUCTS AND SERVICES	BUS PARTS	1,573.30	
89681	5/14/2008	VALLEY POWER SYSTEMS, INC.	BUS PARTS	951.48	
89682	5/14/2008	VENTURA COUNTY OVERHEAD DO	B&G REPAIRS & SUPPLIES	2,285.00	
89683	5/14/2008	WAYNE'S TIRE INC.	VEHICLE TIRES	653.67	
89684	5/23/2008	ASBURY ENVIRONMENTAL SERVIC	WASTE OIL RECYCLER	25.00	
89685	5/23/2008	BASZILE METALS SERVICE	REBUILT BIKE RACKS	825.00	
89686	5/23/2008	CALIFORNIA ELECTRIC SUPPLY, IN	B&G/SHOP SUPPLIES	88.24	
89687	5/23/2008	CARQUEST AUTO PARTS	BUS PARTS & SUPPLIES	580.72	
89688	5/23/2008	COAST TRUCK PARTS	BUS PARTS	1,393.40	

Check #	Date	Company	Description	Amount	Voids
89689	5/23/2008	COTA, CHRISTOPHER J.	PROFESSIONAL SERVICES	500.00	
89690	5/23/2008	CUMMINS CAL PACIFIC LLC	BUS PARTS	96.43	
89691	5/23/2008	DCM GRAPHICS DBA	PRINTING SERVICES	105.60	
89692	5/23/2008	DEAILE, MARY	PAYROLL RELATED	106.15	
89693	5/23/2008	DONS INDUSTRIAL, INC.	SHOP SUPPLIES	14.04	
89694	5/23/2008	EMPLOYMENT DEVELOPMENT DEP	PAYROLL RELATED	100.00	
89695	5/23/2008	EVERYTHING ELECTRIC	BUS PARTS	36.15	
89696	5/23/2008	EXPRESS AUTO PARTS EXCHANGE,	BUS PARTS	262.76	
89697	5/23/2008	FAST UNDERCAR	EV BUS PARTS	99.05	
89698	5/23/2008	FEDERAL EXPRESS CORP.	FREIGHT CHARGES	138.49	
89699	5/23/2008	STATE OF CALIFORNIA	PAYROLL RELATED	237.41	
89700	5/23/2008	GIBBS INTERNATIONAL INC	BUS PARTS/SUPPLIES	241.93	
89701	5/23/2008	GILLIG CORPORATION	BUS PARTS	365.68	
89702	5/23/2008	GRAINGER, INC.	SHOP SUPPLIES	288.84	
89703	5/23/2008	INDOFF, INC.	OFFICE SUPPLIES	615.40	
89704	5/23/2008	SHERIFF CIVIL BUREAU	PAYROLL RELATED	395.31	
89705	5/23/2008	LARA'S AUTO REPAIR DBA	BUS REPAIRS	90.00	
89706	5/23/2008	LADD INDUSTRIES	BUS PARTS	70.03	
89707	5/23/2008	LUBRICATION ENGINEERS, INC.	LUBRICANTS	148.43	
89708	5/23/2008	MC CORMIX CORP. (GAS)	FUEL-SERVICE VEHICLES	2,265.36	
89709	5/23/2008	PREVOST CAR INC.- CREDIT DEPT.	BUS PARTS	3,240.60	
89710	5/23/2008	PASO ROBLES TRUCK CENTER COR	BUS PARTS	292.86	
89711	5/23/2008	PLATINUM PLUS FOR BUSINESS	MISC. CREDIT CARD CHARGES	140.36	
89712	5/23/2008	POINDEXTER, CAREY	MEDICAL REIMBURSEMENT	470.00	
89713	5/23/2008	PROFORMA	PROMOTIONAL ITEMS	283.51	
89714	5/23/2008	PRESTIGE TIRE & AUTO SERVICE, I	SERVICE VEHICLE REPAIRS	65.14	
89715	5/23/2008	ROCKWEST TECHNOLOGY GROUP,	TC ID SYSTEM	1,739.34	
89716	5/23/2008	SB COUNTY FEDERAL CREDIT UNIO	PAYROLL DEDUCTION	1,548.00	
89717	5/23/2008	SEELEY-RUIZ, KAREN	PAYROLL RELATED	75.69	
89718	5/23/2008	SANTA BARBARA SIGNS, INC. DBA	PRINTING SERVICES	2,840.92	
89719	5/23/2008	SM TIRE, CORP.	BUS TIRE MOUNTING	117.50	
89720	5/23/2008	SO. CAL. EDISON CO.	UTILITIES	3,855.45	
89721	5/23/2008	SC FUELS DBA	FUEL	60,215.90	
89722	5/23/2008	SOUTHERN CALIFORNIA GAS COMP	UTILITIES	303.55	
89723	5/23/2008	SUPREME AUTO CARE PROD., LLC	BUS CLEANING SUPPLIES	222.77	
89724	5/23/2008	SB CITY OF-REFUSE/WATER	UTILITIES	870.77	
89725	5/23/2008	T.F. HUDGINS, INC.	BUS PARTS	237.95	
89726	5/23/2008	TEAMSTERS UNION LOCAL NO. 186	UNION DUES	365.65	
89727	5/23/2008	UNITED PARCEL SERVICE, INC.	FREIGHT CHARGES	218.02	
89728	5/23/2008	UNITED WAY OF SB	PAYROLL DEDUCTION	134.00	

Check #	Date	Company	Description	Amount	Voids
89729	5/23/2008	UNIFORM CONNECTION INC.	UNIFORMS	777.75	
89730	5/23/2008	U.S. DEPARTMENT OF EDUCATION	PAYROLL RELATED	193.36	
89731	5/23/2008	VALLEY POWER SYSTEMS, INC.	BUS PARTS	946.17	
89732	5/23/2008	VERIZON CALIFORNIA	TELEPHONES	1,760.06	
89733	5/23/2008	VERIZON WIRELESS	WIRELESS PHONES	388.65	
89734	5/23/2008	WILSON PRINTING INC.	PRINTING SERVICES	1,774.11	
89735	5/23/2008	YACO SCHOLARSHIP FUND	PR DEDUCTION	49.00	
				263,434.90	
				Current Cash Report Voided Checks:	0.00
				Prior Cash Report Voided Checks:	0.00
				Grand Total:	\$263,434.90



BOARD OF DIRECTORS REPORT

AGENDA DATE: JUNE 5, 2008

AGENDA ITEM #: 9

TYPE: ACTION

PREPARED BY: JERRY ESTRADA

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

**SUBJECT: CITY OF SANTA BARBARA TRANSPORTATION
MANAGEMENT AND TRANSIT ASSISTANCE AGREEMENT**

DISCUSSION:

The Santa Barbara Metropolitan Transit District (MTD) and city of Santa Barbara (City) staff are working cooperatively to update the "Master Transportation Management and Transit Assistance Agreement" that consists of all transit related projects, excluding the Wharf Woody service and the MyRide bus pass program.

The term of the Agreement will be one-year with language that will allow both parties to mutually consent to extending the agreement for an additional nine months to match the remainder of Measure D.

All transit service rates will increase by 3.92%, which is consistent with the Consumer Price Index for the Los Angeles region (all items, January).

The Agreement also includes capital contributions from the city of Santa Barbara towards shuttle purchases and SuperStops for projects related to the South Coast Transit Priorities.

RECOMMENDATION:

Staff recommends that the Board authorize the General Manager to execute the Master Transportation Management and Transit Assistance Agreement with the City.



BOARD OF DIRECTORS REPORT

MEETING DATE: June 5, 2008

AGENDA ITEM #: 10

DEPARTMENT: Risk

TYPE: ACTION

PREPARED BY: Gabriel Garcia

Signature

REVIEWED BY: General Manager

GM Signature

SUBJECT: Workers Compensation Excess Insurance Renewal
July 1, 2008 through June 30, 2009

DISCUSSION:

Summary

In January 1987, the board authorized MTD to self-insure for Worker's Compensation. The decision has saved the District considerable premium dollars over the years. In 2005, MTD joined the California State Association of Counties Excess Insurance Authority (CSAC EIA), a public entity pool for shared risk.

The program components of the self-insured program are as follows: (1) Excess insurance coverage above a self insured retention level (2) Designated medical facility for immediate medical evaluation and coordinated care (3) a licensed Third Party Administrator (TPA) to administer claims, and (4) legal defense and investigation as needed for causation and/or activities. The obvious risk to self-insurance retention is that any one claim would exceed the self-insured retention level. To date only one claim has ever exceeded the SIR of \$500,000.

For fiscal year 08/09 CSAC EIA offers three Self Insured Retention (SIR) options as shown below.

Option	Premium	Recommended
Self Insured Retention (SIR) \$500,000	\$72,588	*
Self Insured Retention (SIR) \$300,000	\$85,588	
Self Insured Retention (SIR) \$250,000	\$108,500	
Current Premium		
Self Insured Retention (SIR) \$500,000	\$69,550	

The recommended premium represents a 4.4% increase over the expiring policy.

For informational purposes, MTD requested a 1st dollar coverage quote from the California State Workers Compensation Insurance Fund. The quote received indicated an annual premium of \$1,065.958.

The table below indicates the total workers compensation amounts paid by MTD over the past few years:

Period	Amount Paid
Claims with DOI FY 04-05	\$521,835
Claims with DOI FY 05-06	\$384,405
Claims with DOI FY 06-07	\$506,442
Average cost per claim	\$22,785

This chart includes total paid including claim cost, attorney fees, TPA fees, insurance premium and claim reserves for claims incurred during the fiscal years shown.

RECOMMENDATION:

Continue a self-insured program for Workers Compensation claims and continue Excess Insurance coverage with MTD’s current carrier, CSAC EIA through Driver Alliant Insurance Services with a Self Insured Retention (SIR) of \$500,000.

Therefore, Staff makes the following recommendation:

1. Continue working with Workers Compensation Administrators (WCA) as a Third Party Administrator (TPA) on current and new Workers Compensation Claims.
2. Continue working with John Lamoutte of Tobin-Lucks as defense attorney.
3. Continue working with MedCenter (and local emergency rooms if applicable) for on the job medical injuries.



BOARD OF DIRECTORS REPORT

MEETING DATE: JUNE 5, 2008

AGENDA ITEM #: 11

TYPE: ACTION

PREPARED BY: JERRY ESTRADA

Signature

REVIEWED BY: GENERAL MANAGER

GM Signature

SUBJECT: PROPOSED FISCAL YEAR 2008-09 BUDGET

DISCUSSION:

Staff will present the proposed budget for fiscal year 2008-09. Please see the attached budget for a detailed explanation of the District's financial projections.

Fiscal Year 2008-2009 Budget

Santa Barbara Metropolitan Transit District
550 Olive Street
Santa Barbara, CA 93101

Proposed June 5, 2008



Reduce your
CARBON
FOOTPRINT
with help from
MTD.

Santa Barbara Metropolitan Transit District
(District)

Proposed Budget

Fiscal Year

July 1, 2008 through June 30, 2009

Santa Barbara Metropolitan Transit District
550 Olive Street
Santa Barbara, CA 93101
Phone (805) 963-3364
Fax (805) 962-4794

Proposed: June 5, 2008

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Executive Summary

Key Points

Operations

- Base service hours are budgeted to decrease by approximately 1.5%.
- Inter-community service to the Santa Ynez Valley is extended for another year and service to Lompoc has been included for one-year under the Clean Air Express program.
- Old Town Shuttle Service will complete its 3rd year of operation in August (South Coast Transit Priority Project).
- Mesa Loop service will complete its 2nd year of operation (South Coast Transit Priority Project).
- Enhanced service to the Eastside/Westside of Santa Barbara and along the State/Hollister corridor will enter its second year of operation.
- Ridership is projected to increase by 4%.

Revenues

- The District's annual Transportation Development Act Local Transportation Fund (TDA-LTF) apportionment was flat for the second consecutive year and is below actual receipts from two years previous.
- The amount of TDA-LTF the District will need to fund daily operations will exceed the annual apportionment and deferred credits (prior year TDA-LTF) will be required to balance the operating budget.
- Passenger Fares are projected to increase by \$79,898 or 1.1% from fiscal year 07-08 estimated receipts.
- Federal Operating Assistance is projected to increase by 1.8% from fiscal year 07-08 estimated receipts.

Expenses

- Total annual expenses are projected to increase by \$2,036,914 or 10.3% from fiscal year 07-08 estimates.
- Fuel/Electric Bus Power costs are projected to increase by \$1,007,736 or 51.8%.
- Wages & Benefits are budgeted to increase by \$617,484 or 4.4% from fiscal year 07-08 estimates.

Capital

- The District will purchase seven (7) 40' replacement diesel buses, three (3) 29' hybrid diesel-electric buses and eight (8) replacement electric shuttles for expanded service related to the South Coast Transit Priorities.
- Land & Facilities expenditures are projected to be \$300,351. This figure consists primarily of the security camera and identification accessibility project for terminal one.
- Service vehicle costs include one maintenance truck.
- Bus Rehabilitation costs; (engines, transmissions etc.) are projected to exceed \$637,600.

Deferred Credits

- Deferred credits are projected to decrease by \$398,971.

Santa Barbara Metropolitan Transit District Proposed FY 2008-09 Budget

Executive Summary - Financials & Service Statistics

	FY 2006-07	FY 2007-08		FY 2008-09
	Actual	Final Budget	Final Estimate	Proposed Budget
Operations				
Ridership				
Regular	6,031,315	6,091,628	6,340,285	6,593,896
Shuttles	556,632	562,198	576,851	599,925
Express	1,086,527	1,097,392	1,149,286	1,195,258
Regional	32,005	32,325	37,365	38,860
Total Ridership	7,706,479	7,783,543	8,103,787	8,427,939
Service Miles				
Regular	1,776,388	1,861,410	1,870,145	1,829,661
Shuttles	76,456	79,230	90,135	89,196
Express	547,010	577,091	560,472	513,669
Regional	62,469	65,342	95,634	97,777
Total Service Miles	2,462,323	2,583,073	2,616,386	2,530,303
Service Hours				
Regular	147,718	159,937	161,947	159,711
Shuttles	16,133	16,771	16,733	16,795
Express	23,650	25,171	24,700	23,961
Regional	2,296	2,365	2,382	2,349
Total Service Hours	189,797	204,244	205,762	202,816
Passengers per Mile	3.1	3.0	3.1	3.3
Passengers per Hour	40.6	38.1	39.4	41.6
Revenues				
Total Revenue	\$18,021,165	\$20,037,378	\$19,768,116	\$21,805,030
Major Revenue Sources:				
(TDA-LTF) Current Year (applied to Operations)	\$4,988,850	\$6,026,562	\$5,757,591	\$6,983,542
Fares	7,075,226	7,201,129	7,231,381	7,311,279
Federal Operating Assistance	4,046,111	4,011,000	4,011,000	4,083,198
Deferred Credits (TDA-LTF) Prior Year	0	0	0	373,971
Other Sources	1,910,978	2,798,688	2,768,144	3,053,040
Expenses				
Total Expense	\$18,021,165	\$20,037,378	\$19,768,116	\$21,805,030
Wages & Benefits	\$12,571,542	\$14,041,008	\$13,977,552	\$14,595,036
Workers Compensation	569,649	\$588,934	\$541,988	\$596,105
Materials/Supplies	1,029,593	\$1,148,498	\$1,047,759	\$1,163,192
Services/Utilities	1,924,210	\$1,896,237	\$1,841,660	\$2,020,960
Fuel/Electric Bus Power	1,549,711	\$1,929,908	\$1,944,244	\$2,951,980
ADA Paratransit	376,460	\$432,793	\$414,913	\$477,758
Farebox Recovery Ratio	39.3%	35.9%	36.6%	33.5%
% of (TDA-LTF) applied to Operations	72.4%	86.1%	82.2%	100.0%
Capital Projects				
Total Capital Revenue	\$6,758,577	\$12,038,068	\$6,909,554	\$8,479,581
(TDA-LTF) Current Year (applied to Capital)	\$1,905,210	\$974,483	\$1,243,454	\$0
(TDA-ST A) State Transit Assistance - Current Year	533,150	620,307	760,000	750,000
(TDA-ST A) State Transit Assistance - Prior Year	0	0	0	1,132,321
Federal Capital Assistance	3,929,632	0	0	3,421,085
Other Sources	390,585	10,443,277	4,906,100	3,176,175
Total Capital Expense	\$5,968,783	\$1,483,000	\$1,063,778	\$8,504,581
Land & Buildings	\$5,059	\$162,000	\$156,214	\$300,351
Buses	5,539,954	0	0	7,587,600
Service Vehicles	174,520	75,000	74,319	28,000
Management Information Systems	19,981	140,000	145,389	55,000
Bus Stops	166,182	125,000	21,086	438,630
Other Capital Items	63,087	981,000	666,770	95,000
Deferred Credits (TDA-LTF)				
Beg. Fund Balance	5,600,908	6,390,702	6,390,702	7,330,378
Net Gain/Loss	\$789,794	\$111,790	\$939,676	(\$398,971)
Ending Fund Balance	\$6,390,702	\$6,502,492	\$7,330,378	\$6,931,407

Formation of the District (District)

The formation of the Santa Barbara Metropolitan Transit District (District) occurred in 1968 following the majority passage of a ballot measure. The legislative authority for the formation, and the organization and powers of the District are vested in the California Public Utilities Code (Sections 95000 through 97100) that is cited as "The Santa Barbara Metropolitan Transit District Act of 1965." According to the Act, the District was established:

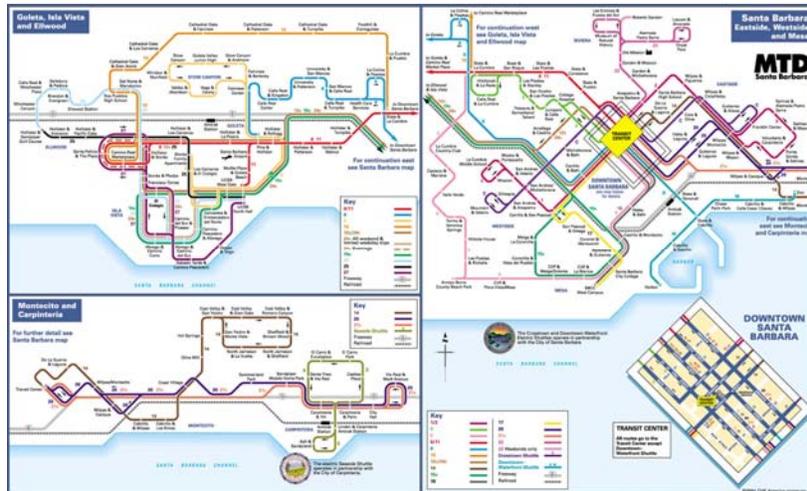
"...in order to meet the public transit problem of the area... [and]...to develop a single transit system to protect the public interest and welfare."¹

The District has grown from a fledgling 12-bus operation to a recognized leader in operating efficiency and transit innovation. Currently, the District operates a fleet of 103 diesel and electric buses providing approximately eight million passenger trips annually. A staff of approximately 215; consisting of drivers, mechanics and administrative personnel operate and oversee 30 bus and shuttle routes.

From the outset, the District has attempted to “fill a void” in the transportation mix by providing basic mobility for the transit dependent, those without access to, or unable to use, a car for transportation around the South Coast. In addition, experience has shown that public transit can be a strategic tool in reducing traffic by providing access to jobs and other transportation needs.

Mission Statement

“The mission of the Santa Barbara Metropolitan Transit District is to enhance the personal mobility of South Coast residents and visitors by offering safe, clean, reliable, courteous, accessible and cost-effective transit service throughout the district.”



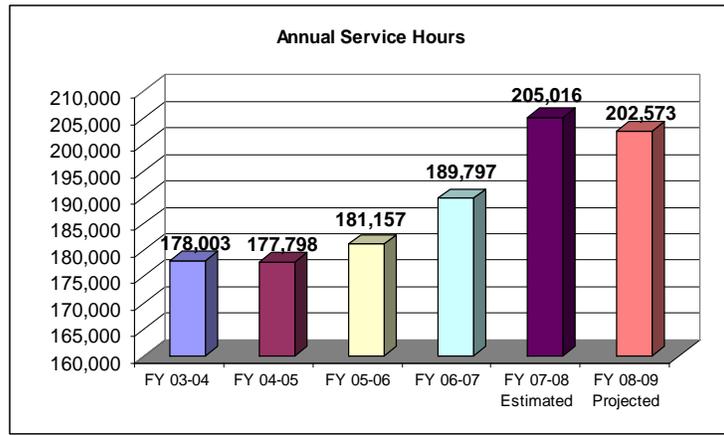
¹California Public Utilities Code, Part 9, Chapter 1, Article 2, Section 95030

Financial Analysis & Trends

Service

The proposed operating budget reflects a 1.5% decrease in current service levels. The change consists of a realignment of the Line 8 that will result in improved frequency to the County Health Care Center; alteration of the Line 4 to remove the underutilized downtown circulator and interlining with the Line 17 that will result in extended late night service while offering a savings in service hours.

Additionally, federal subsidy of the Valley Express expired in March of 2008. The District requested that the Santa Barbara County Association of Governments (SBCAG) allocate regional Measure D funds to support the commuter service from July 1, 2008 until the sunset of Measure D in April of 2010. SBCAG approved funding for the Valley Express through June



30, 2009 with modifications to the service, proposed by the District, that reduce the number of weekday trips from four to three. SBCAG requested and approved District operation of a fourth trip under the Clean Air Express service program out of Lompoc for the same period.

Current Financial Assessment

In February of 2008, the District received an estimate of Transportation Development Act Local Transportation Fund (TDA-LTF) revenue for fiscal year 08-09 that indicated zero growth. The lack of growth is a direct reflection of the projected sales tax receipts within the County next fiscal year. This is the second consecutive year that TDA-LTF subsidy estimate has projected no increase from the prior fiscal year. As a result, TDA-LTF subsidy has declined from actual FY 06-07 figures. TDA-LTF is the District's primary subsidy for public transit operations.

Though TDA-LTF offers no growth for the second consecutive fiscal year, expenses have increased to the point that the subsidy is no longer sufficient to support current service levels without the use of deferred credits². As a result, a projected imbalance between operating revenue and expense exists without the use of deferred credits.

² Deferred credits consist of TDA-LTF revenue accumulated by MTD for transit purposes. These funds are used as cash flow for daily transit operations as well as to offset projected and/or unexpected financial shortfalls. Consistent with State law, deferred credits are accounted for as a liability on MTD's Balance Sheet.

The use of deferred credits to balance the operating budget should not be taken lightly. If the situation is not addressed within the next fiscal year, the deficit will increase as inflationary pressure on the costs of goods and materials increases. If local sales tax receipts continue to remain stagnant over the calendar year, it is likely that the fiscal year 09-10 TDA-LTF appropriation will offer little or no relief.

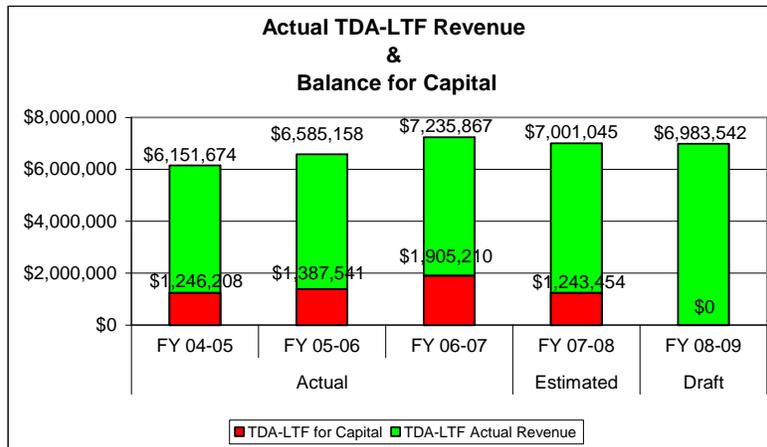
Fortunately, over the past few years the District has steadily increased its balance of deferred credits, which is used as working capital and to offset unexpected financial situations. As a result, the District's cash balance is stable barring any unforeseen events.

Typically, the District budgets between \$900 thousand and \$1.4 million in TDA-LTF for capital expenditures supplemented by Transportation Development Act State Transit Assistance (STA). The fact that all TDA-LTF for fiscal year 08-09 is budgeted to operations would usually create a capital funding crises. However, STA allocations the past few years have been higher than historical figures would have suggested resulting in a sizable balance of capital funds. Management has proposed deferring the Automated Vehicle Location project, budgeted in the current year at \$2.2 million, until fiscal year 2010. This will offer a reserve of capital funds to offset any further degradation of the District's capital finances in the near future.

Regarding inflationary pressure on operating expenses, of particular importance is the current state of diesel fuel prices. This matter will be discussed in detail later in this document but it is important to note that **diesel fuel costs are projected to increase to \$2.9 million, which represents a \$1 million increase from prior year estimates or 51.8%**. To put this into perspective, operating expense as a whole is projected to increase by approximately \$2.1 million.

It is clear that the District needs to consider increasing the passenger fare structure effective July 1, 2009 at the latest to offset rising fuel costs and stagnant subsidy growth.

The chart below illustrates the projected decrease in TDA-LTF during a period of rising fuel prices and the allocation of funds to capital projects since fiscal year 04-05:



Financial Outlook – The Impact of Measure D Revenues

While rising fuel prices appear destined to force the District to consider raising passenger fares within the next year, there is another looming uncertainty: Measure D renewal. The voters of Santa Barbara County passed Measure D in November of 1989 to improve transportation infrastructure in the county. Measure D provides for a one-half cent sales tax increase over a period of twenty years and dedicates these revenues solely to fund transportation projects and programs.

Measure D is set to expire in April of 2010 and the renewal (Measure A) will be on the ballot this November. If Measure A is not renewed in November, a serious loss of transportation funding will occur. If so, and lacking an established funding source, local jurisdictions may opt to terminate their local transit assistance programs with the District.

The District has budgeted approximately \$2.7 million in local assistance and fare buy-down subsidy from local jurisdictions in fiscal year 08-09. The District understands that the majority of these funds are derived from Measure D. If the entire amount were lost, a service reduction of approximately 20% may be required.

Since most jurisdictions begin compiling their budgets for the following year in December/January it is possible that some, if not all, would opt to terminate their agreements with the District effective July 1, 2009 the beginning of fiscal year 09-10. As a result, the District would be faced with as much as a \$2.7 million dollar shortfall in its fiscal year 09-10 budget.

Compounding the matter is the fact that regional public transit service such as the District's Valley Express and SBCAG's Clean Air Express and Coastal Express will lose their primary source of subsidy. Regarding the Clean Air Express, it is likely that North County jurisdictions might approach the District to assist with funding of the service. Since all TDA-LTF apportioned to the South Coast is already used for local transit needs, funding is not currently available.

Ventura County transportation officials have already indicated their intent to continue the Coastal Express service up to the county line. This approach would put a lot of pressure on the District, as it would inundate existing service between Carpinteria and Santa Barbara. District staff has conducted a cursory review of the Coastal Express financials and ridership and believes that the service might become self-sufficient if fares were raised to a level commensurate with that of the Clean Air Express and less productive trips were terminated.

The Coastal Express accounts for one-third of public transit trips between Carpinteria and Santa Barbara each weekday. The District's Lines 20 & 21 make up the remaining two-thirds. With the amount of construction planned throughout the corridor over the next decade, it is imperative that public transit remain a funding priority for the State.

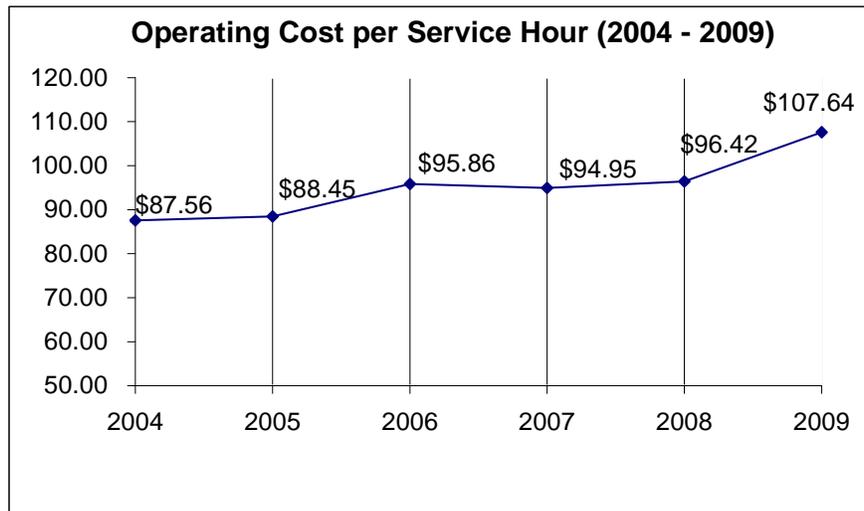
The District begins working on its service plan for the following year in December/January; if Measure A fails, the District will have to make some very difficult decisions regarding public transit service within the South Coast in less than a year.

As discussed in the “Current Financial Assessment” section of this document, the District is already in need of an adjustment to the passenger fare structure due to rising fuel costs. The potential loss of any revenue source including Measure D will severely compound the situation.

Operating Expense and Service Levels

The District’s ability to respond to requests from the public, County, UCSB, SBCC and cities of the South Coast, for additional transit service is greatly influenced by the cost per service hour. The District’s success in avoiding sharp increases in the cost per service hour over the four-year period ending fiscal year 07-08 resulted in increased service levels.

However, the projected increase in the cost per service hour of 11.6%, due in large part to rising fuel costs, for fiscal year 08-09 will put pressure on underperforming routes. Planning staff put extra emphasis on doing more with less this year. As a result, the approved service plan reflects a 1.5% decrease in service hours while improving frequency to destinations like the County Health Care Center. Barring a sharp and unexpected decrease in fuel prices, management will be scrutinizing ridership figures between September and December to identify opportunities to efficiently reallocate existing resources.



Reallocation of exiting resources to maximize public transit is a good first step in difficult economic times. However, without some relief from rising fuel costs and stagnant subsidy growth it is difficult to imagine a scenario where underperforming trips will not have to be terminated and/or altered in the near future.

Santa Barbara Metropolitan Transit District Proposed FY 2008-09 Budget

The District is a public service provider of transit service. Therefore, it is to be expected that fuel costs and some industry specific expenses are factors that cannot be avoided. The table below provides a closer look at how specific operating costs have affected the District's finances over the past five-years:

Five-Year Cost Analysis - Operating Expenditures

	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09	5-Year Comp %
Fuel/Electric Bus Power	\$998,678	\$1,406,021	\$1,549,711	\$1,944,244	\$2,951,980	195.6%
Materials/Supplies	822,536	975,093	1,029,593	1,047,759	1,163,192	41.4%
Wages & Benefits	10,750,263	11,436,121	12,571,542	13,977,552	14,595,036	35.8%
ADA Paratransit	347,503	357,173	376,460	414,913	477,758	37.5%
Services/Utilities	2,025,785	2,271,246	1,924,210	1,841,660	2,020,960	-0.2%
Workers Compensation	781,212	920,752	569,649	541,988	596,105	-23.7%
	<u>\$15,725,977</u>	<u>\$17,366,406</u>	<u>\$18,021,165</u>	<u>\$19,768,116</u>	<u>\$21,805,030</u>	<u>38.7%</u>
% increase in Annual Operating Expenses:		10.4%	3.8%	9.7%	10.3%	

As the table illustrates, fuel costs have seen the most dramatic increase over the five-year period. Fuel costs are estimated to equal 13.3% of the fiscal 08-09 budget versus 6.4% in fiscal year 04-05. Materials and supplies are a distant second and are also affected by fuel costs as they pertain to delivery and freight charges. Wages and fringe benefits equal 67.2% of the fiscal year 08-09 budget.

The table below provides a glimpse of how specific operating expenses have performed in relation to service hours after adjustment for inflation:

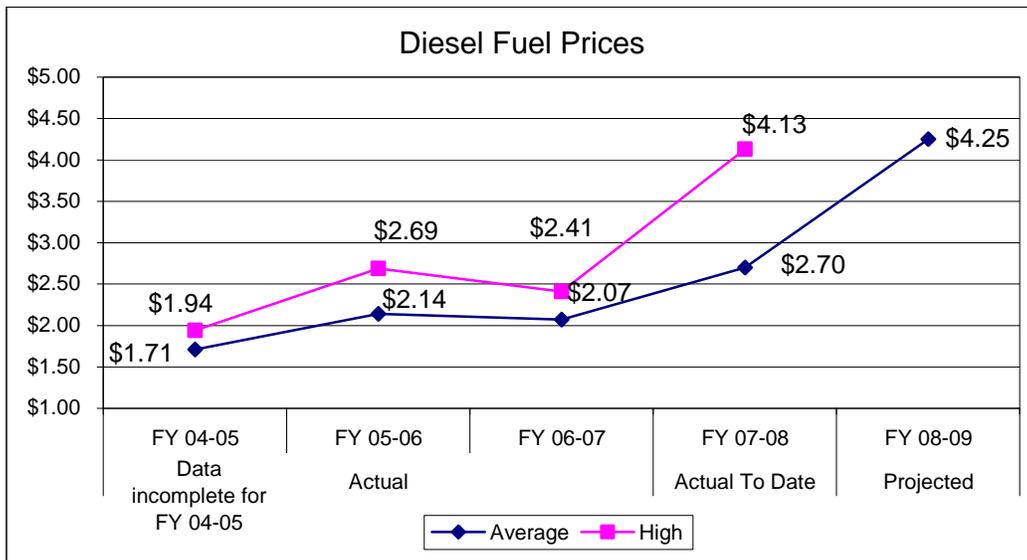
Operating Costs per Service Hour Provided - Adjusted for Inflation

	FY 2004-05	Adjusted by CPI FY 2005-06	FY 2006-07	Estimated Base Year FY 2007-08	Projected FY 2008-09
Service Hours	177,798	181,157	189,797	205,016	202,573
Fuel/Electric Bus Power	\$6.35	\$8.32	\$8.49	\$9.48	\$14.57
Materials/Supplies	5.23	5.77	5.64	5.11	5.74
Wages & Benefits	68.36	67.70	68.83	68.18	72.05
ADA Paratransit	2.21	2.11	2.06	2.02	2.36
Services/Utilities	12.88	13.45	10.54	8.98	9.98
Workers Compensation	4.97	5.45	3.12	2.64	2.94
	<u>\$100.00</u>	<u>\$102.81</u>	<u>\$98.67</u>	<u>\$96.42</u>	<u>\$107.64</u>

Adjusting operating expenses for inflation highlights the success the District has experienced over the past few years controlling operating costs. However, it also exposes the impact skyrocketing fuel prices have had on the District's cost per service hour. Fuel costs are projected to rise by 50% over fiscal year 07-08 estimates, which are anticipated to increase by 13.2% over fiscal year 06-07 figures.

Diesel Fuel Costs

	Annual Cost	\$ Increase from Prior Year	% Increase from Prior Year
FY 08-09 (Proj.)	\$2,861,080	\$995,763	53.4%
FY 07-08 (Est.)	1,865,316	362,316	24.1%
FY 06-07	1,503,000	204,111	15.7%
FY 05-06	1,298,889	323,784	33.2%
FY 04-05	975,105	195,500	25.1%
FY 03-04	779,605	165,635	27.0%
FY 02-03	613,970	147,798	31.7%
FY 01-02	466,172	(20,773)	-4.3%
FY 00-01	486,945		

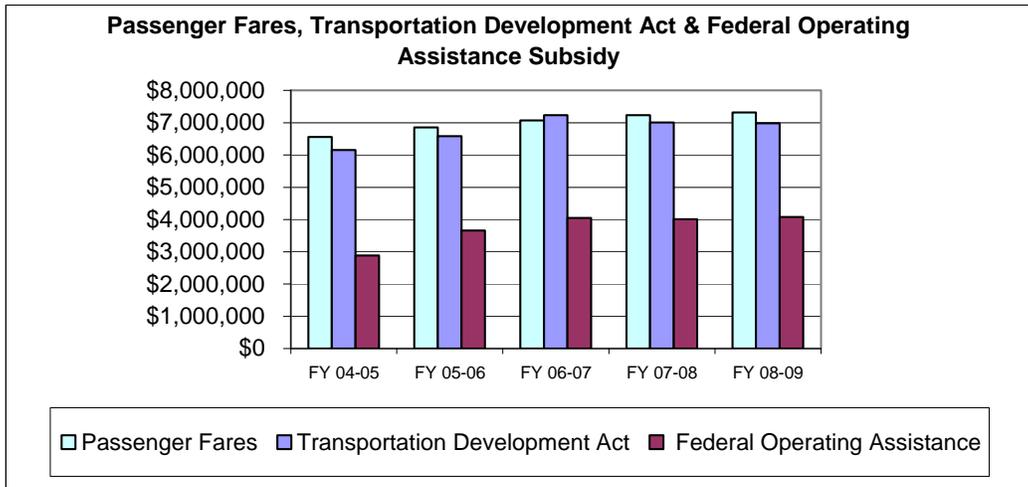


The tables above substantiate the District's concern pertaining to future fuel related cost. Rising fuel prices may encourage some motorists to use public transit resulting in higher fare revenue but it also increases the cost per service hour to the District to provide the same level of service.

In a sort of "Catch 22", a significant influx of new riders during the peak period may force the District to "Boost" existing service. "Boost" is a transit term used to describe supplementing existing service with additional buses to increase seating capacity. The District welcomes increased demand for service but sustaining existing and/or increased service levels in the long-term without an influx of a new operating revenue or significant growth in existing sources is challenging.

Major Subsidies & Passenger Fares

The chart below reveals the projected performance of the District’s three major sources of operating revenue (i.e., Passenger Fares, Transportation Development Act [TDA-LTF] funds and Federal Operating Assistance) between fiscal years’ 2005 and 2009.



While not illustrated in the chart above, TDA-LTF subsidies nearly reached \$7 million in fiscal year 01-02. In fiscal year 02-03, the District’s TDA-LTF subsidy experienced an 8% decrease forcing the implementation of a fare increase the following year. It was not until fiscal year 06-07, five years later, that the District topped the \$7 million level in TDA-LTF subsidy. Unfortunately, it appears to have been short lived as the subsidy is estimated to decrease in the current year and is projected to decrease further in fiscal year 08-09.

In August of 2005, the federal government signed into law the current surface transportation act named SAFETEA-LU, which resulted in a new source of operating funding for the District. The new Small Transit Intensive Communities (STIC) program resulted in an additional \$700 to \$800 thousand in additional operating funds annually. These funds were instrumental in allowing the District to increase service levels and absorb rising fuel costs the past few years. However, federal operating assistance has leveled off and growth has been slow the past few years as illustrated above.

Passenger fares have also climbed steadily over the past few years driven primarily by increased service levels and new pass programs. Revenue from two significant pass programs, UCSB Staff & Faculty and city of Santa Barbara’s MyRide reached their high point (\$382,350) in fiscal year 06-07. UCSB terminated the Staff & Faculty pass program and started purchasing 30-day Adult bus passes for staff and faculty in fiscal year 07-08. The city of Santa Barbara, with the assistance of the District, offered new 90-day bus passes to downtown employees at a price of \$45 per pass and continued to offer free annual passes to their employees. The MyRide program is projected to produce approximately \$100,000 in revenue to the District in fiscal year 08-09.

Annual Work Program

By incorporating an “Annual Work Program” within the budget, the District sets in progress capital projects, activities and daily operations required to provide quality transit service to the South Coast of Santa Barbara County. The intent is to ensure that adequate staffing and financial resources are dedicated to delivering projects and services as promised.

The District has a history of leadership within the transit industry related to providing environmentally sound transit service. This approach reflects the priorities of the community served and is supported by local agencies. The District will continue to push forward with programs that result in quality transit service in a cost efficient manner.

As a means of organizing the activities and projects associated with running an agency the size of the District the “Annual Work Program” has been divided into traditional transit functions.

Administration & Finance

➤ **Community Outreach Activities**

Management will continue to participate in activities and meetings with local agencies and other local community organizations to ensure public transit’s role within the community is well defined.

➤ **Oversee and Administer Finance and Procurement Activities**

Staff will produce all financial related documents as well as manage the daily cash management and accounting requirements of the District. The Finance department will manage all procurements and compliance associated with purchasing of goods.

➤ **Management of Human Resource Requirements**

All hiring and employee related matters, inclusive of the collective bargaining units are handled by the Human Resource department. Additionally, the Human Resource department assures compliance with all applicable personnel related laws.

➤ **Oversight and Management of Drug & Alcohol Program**

The District is required by federal law to adhere to strict standards related to its Drug and Alcohol policies. As such, the District abides by a Drug and Alcohol program and conducts after hour testing in-house. The Human Resource department oversees this program and multiple departments share the duties.

➤ **Manage Self Insurance of Liability and Workers Compensation**

The District is self-insured related to liability and workers compensation matters. The District has hired a third-party administrator to manage the workers compensation program and another outside agency to assist with liability claims. The Risk department, which consists of employees from the

Human Resource department, manages the Districts duties associated with these programs.

➤ Administration of Office Equipment and Related Activities

Administrative staff handles all daily office related duties such as phones, reception, office supplies etc.

Special Projects

- Environmental Management System
- Finalize Leasing of Overpass Site
- Calle Real Property
- Acquisition of Expansion Buses for Isla Vista Service and Replacement Buses for the 1992 Flxble fleet
- Installation of Security Cameras at Terminal 1
- Successfully Complete the Underground Storage Tank Reimbursement Process for Overpass and Achieve Site Close-Out

Maintenance

- Maintain Preventative Maintenance System
Over one hundred buses consisting of electric, diesel and hybrid technologies will be inspected and maintained throughout the fiscal year. Regular training related to various engine, transmission and ancillary equipment will be conducted.
- Manage Daily Fleet Maintenance Requirements
Staff will utilize computer software specially designed for transit systems to manage all record keeping requirements associated with the fleet of revenue vehicles.
- Manage Facility Related Equipment
Staff is responsible for ensuring that all equipment and buildings are kept in good condition. The grounds and equipment are repaired by District employees, however, contractors are brought in for certain tasks.

Special Projects

- Oversee Bio-Diesel Program (B20)
- Hybrid Diesel-Electric Bus Training
- Implementation of New Chargers and Battery Monitoring Systems
- Remove high value usable components from DWP and Colorado Springs electric buses
- Install storage racks for spare-electric bus battery packs and removed usable components
- Revise specifications for eight replacement electric shuttle buses
- Assess the near term advanced battery technologies.

Operations

- **Manage Daily Transit Operations**
With nearly 33 routes and over 800 bus stops to serve, daily passenger related operations require the majority of the District's employees. The District has approximately 145 driver positions as well as 9 Operations Supervisors and 4 Operations Staff positions.
- **Administration of Daily Passenger Interactions**
Administrative and Operations employees jointly respond to passenger inquiries and complaints on a daily basis. Operations staff is responsible for follow-up and corrective action as it relates to any concerns that may arise related to the provision of public transit service.

Planning & Marketing

- **101 Operational Improvements**
The Planning department will implement additional booster service through the construction zone. The goal of the booster service is to alleviate potential delays along the corridor.
- **Schedule and Driver Bid Preparation & Analysis**
The Planning department will prepare passenger schedules as well as driver bids throughout the year. The department will prepare all reports and analysis required to assess transit service provided by the District.
- **Schedule Guide Production**
The Planning department will develop and produce schedule guides for distribution to the District's passengers. The guide will continue to evolve as advancements are made to the design and layout.
- **Bus Stop Administration**
The Planning department manages all bus stop related needs inclusive of improvements, repairs and design.
- **Web site Management**
The Marketing department handles daily management and enhancements relating to the District's web site.
- **Print & Media Campaigns**
The Marketing department has proposed the following print campaigns for the upcoming fiscal year, "Reduce Your Carbon Footprint", Improved Bi-Directional Service to the Mesa, Regional Services Save Gas and Money, Google Transit Launch.
- **Bus Advertising Program**
Advertising revenue derived from the placement of advertisements on the District's fleet of buses will be managed in-house. Additionally, the District will implement a rate increase by 15% effective July 1, 2008.

Special Projects

- **Transit Village**
- **Google Transit – Trip Planner**
- **Superstop Construction**

- Mobile On-Time Performance Project
- Employer Outreach Program

OPERATING REVENUE BUDGET
FISCAL YEAR 2008/2009

	Proposed Budget FY 08/09	Final Budget FY 07/08	Variance	Estimated FY 07/08
<i>FAREBOX REVENUE</i>				
Cash Fares	\$3,014,027	\$3,146,703	(\$132,676)	\$3,053,306
Downtown-Waterfront Shuttle/My Ri	1,387,088	1,310,896	76,192	1,311,820
UCSB Contract Fares	653,126	647,023	6,103	625,286
SBCC Contract Fares	548,578	540,120	8,458	566,692
Carpinteria Seaside Shuttle	80,491	79,434	1,058	91,144
Amtrak Fares	225	200	25	226
Special Event Fares	500	0	500	500
Brooks Pass Program	2,000	3,850	(1,850)	3,138
Adult 10-Ride Passes	411,924	416,618	(4,694)	406,195
Student 10-Ride Passes	276,011	240,730	35,281	296,434
Senior/Disabled 10-Ride Passes	74,480	67,395	7,085	74,622
Valley Express 10-Ride Passes	84,546	55,460	29,086	79,212
Adult 30-Day Pass	514,200	429,754	84,446	458,544
Student 30-Day Pass	94,214	81,152	13,062	93,965
Senior/Disabled 30-Day Pass	137,389	139,395	(2,005)	137,172
Valley Express 30-Day Pass	32,480	42,400	(9,920)	33,126
<i>Subtotal</i>	<u>\$7,311,279</u>	<u>\$7,201,129</u>	<u>\$110,150</u>	<u>\$7,231,381</u>
<i>NON-TRANSPORTATION INCOME</i>				
Advertising on Buses	\$425,500	\$394,194	\$31,306	\$387,088
Interest on Investments	106,750	110,000	(3,250)	105,185
Overpass Lease & Misc	199,000	37,000	162,000	18,378
<i>Subtotal</i>	<u>\$731,250</u>	<u>\$541,194</u>	<u>\$190,056</u>	<u>\$510,650</u>
<i>SUBSIDIES</i>				
TDA Sales Tax Revenue	\$6,983,542	\$7,001,045	(\$17,503)	\$7,001,045
(Amount applied to captial)	0	(974,483)	974,483	(1,792,950)
FTA Formula Assistance	4,083,198	4,011,000	72,198	4,011,000
FTA CMAQ Operating Assistance	205,400	407,000	(201,600)	407,000
Property Tax Revenue	784,052	753,896	30,156	753,896
LOA (City of SB)	1,332,338	1,096,598	235,740	1,096,598
<i>Subtotal</i>	<u>\$13,388,530</u>	<u>\$12,295,056</u>	<u>\$1,093,475</u>	<u>\$11,476,589</u>
TOTAL OPERATING REVENUE	<u>\$21,431,059</u>	<u>\$20,037,378</u>	<u>\$1,393,681</u>	<u>\$19,218,620</u>

OPERATING EXPENSE BUDGET
FISCAL YEAR 2008/2009

	Proposed Budget FY 08/09	Final Budget FY 07/08	Variance	Estimated FY 07/08
<i>ROUTE OPERATIONS</i>				
Drivers	\$8,745,744	\$8,345,994	\$399,750	\$8,275,774
Dispatch & Supervision	468,208	531,657	(63,449)	553,266
Hiring & Training	280,071	252,781	27,290	275,150
Risk & Safety	1,460,370	1,426,434	33,936	1,387,733
Transportation Subsidies	477,758	432,793	44,966	414,913
<i>Subtotal</i>	<u>\$11,432,152</u>	<u>\$10,989,659</u>	<u>\$442,493</u>	<u>\$10,906,837</u>
<i>VEHICLE MAINTENANCE</i>				
Mechanics	\$1,020,560	\$990,073	\$30,487	\$982,877
Cleaners & Fuelers	662,425	615,017	47,407	665,694
Supervision	528,994	520,006	8,988	475,471
Vehicle Consumables	3,115,853	2,083,181	1,032,672	2,065,336
Bus Parts & Supplies	742,744	708,189	34,555	688,793
Vendor Services	54,750	57,250	(2,500)	45,013
Risk & Safety	(18,370)	(14,453)	(3,916)	(23,697)
<i>Subtotal</i>	<u>\$6,106,955</u>	<u>\$4,959,263</u>	<u>\$1,147,692</u>	<u>\$4,899,487</u>
<i>PASSENGER ACCOMMODATIONS</i>				
Passenger Facilities	\$722,395	\$638,251	\$84,144	\$665,923
Transit Development	339,798	357,578	(17,780)	340,996
Promotion & Information	410,006	426,848	(16,842)	411,027
Fare Revenue Collection	227,652	274,340	(46,688)	227,973
<i>Subtotal</i>	<u>\$1,699,852</u>	<u>\$1,697,017</u>	<u>\$2,834</u>	<u>\$1,645,919</u>
<i>GENERAL OVERHEAD</i>				
Finance	\$579,755	\$555,854	\$23,901	\$521,095
Personnel	94,086	85,939	8,148	93,055
Utilities & Communication	203,000	210,000	(7,000)	181,182
Operating Facilities	409,109	259,177	149,932	275,441
District Administration	1,280,121	1,280,469	(347)	1,245,099
<i>Subtotal</i>	<u>\$2,566,072</u>	<u>\$2,391,439</u>	<u>\$174,633</u>	<u>\$2,315,873</u>
TOTAL OPERATING COST	<u>\$21,805,030</u>	<u>\$20,037,378</u>	<u>\$1,767,652</u>	<u>\$19,768,116</u>

Assumptions & Explanations – Revenues

Ridership and Fares

Base ridership is projected to increase by 4%. The projection was based on prior year results and planned service changes for the upcoming year. The District’s passenger fare revenue can be classified in two major categories, those directly affected by the fare policy and those negotiated and dependent upon contract terms.

Fare Policy Derived Fees & Rates

Cash fares as well as the District’s 10-ride and 30-day bus passes are directly affected by fare policy change. Additionally, the fee associated with the bulk pass programs that provide UCSB and SBCC students unlimited access to the District’s transit services at a significantly discounted rate are linked to the growth in the adult cash fare. In both cases, all students are charged a nominal fee during their registration.

Both programs are successful from a ridership and revenue perspective. The District benefits from a defined level of funding prior to providing service. Both UCSB and SBCC benefit substantially by offsetting the need for additional onsite parking while encouraging the use of public transit.

The table below reflects the performance of passenger fare categories directly impacted by the fare policy:

Fares & Ridership Figures			
	FY 06-07	Estimated FY 07-08	Proposed FY 08-09
Cash Fares	\$2,903,057	\$3,053,306 5.2%	\$3,014,027 -1.3%
Adult Ten Ride Pass Fares	\$394,146	406,195	411,924
Student Ten Ride Pass Fares	233,786	296,434	276,011
Senior/Mobility Ten Ride Pass Fares	66,552	74,622	74,480
Valley Express 10 Ride Pass Fares	59,346	79,212	84,546
Adult 30 Days Passports	373,838	458,544	514,200
Student 30 Days Passports	67,584	93,965	94,214
Senior/Mobility 30 Days Passports	119,223	137,172	137,389
Valley Express 30 Days Passports	42,960	33,126	32,480
Pass Programs - 10-Ride & 30-Day	\$1,357,435	\$1,579,270 16.3%	\$1,625,245 2.9%
UCSB Contract Fares	\$649,003	\$625,286	\$653,126
SBCC Contract Revenue	516,903	566,692	548,578
Pass Programs - UCSB & SBCC Student	\$1,165,906	\$1,191,978 2.2%	\$1,201,703 0.8%
Total Revenue from Cash Pass Programs:	\$5,426,398	\$5,824,554	\$5,840,975
Total Growth from Prior Year:		\$398,156	\$16,421
Ridership:	7,654,659	8,103,787 449,128	8,427,939 324,152

Santa Barbara Metropolitan Transit District Proposed FY 2008-09 Budget

As the table above illustrates, cash fares are estimated to increase by 5.2% in the current fiscal year. This represents the first time cash fares are expected to increase from prior year results since the inception of the current fare policy and is a reflection of the 10% service increase implemented in March of 2007. The District's pass programs are expected to continue to see new highs and will exceed 50% of the passenger fares derived from directly managed cash and pass sales.

Contract Related Fess & Rates

Contract related passenger fares include "fare buy-down" subsidies. The city of Santa Barbara has "bought down" the fare of the Downtown Waterfront Electric Shuttle (DWE) service for over a decade. The intent is to mitigate traffic and enhance the economic vitality of the downtown area by providing quiet, clean and accessible transit service as a cost effective traffic mitigation measure. This year's budget projects a fare buy-down subsidy of nearly \$1.3 million. That figure credits the city of Santa Barbara for estimated fares received and includes the Wharf Woody and Commuter Lot Shuttle services.

Passenger Fares - Contract Dependent

	FY 06-07	Estimated FY 07-08	Proposed FY 08-09
City Shuttle Contract Fares	\$1,174,852	\$1,212,073	\$1,287,088
Downtown City My Ride Program Contract Fare	254,631	99,746	100,000
UCSB TAP Contract	127,719	0	0
Carpinteria Seaside Shuttle Contract Fares	77,600	91,144	80,491
Brooks Institute Contract Fares	6,353	3,138	2,000
Special Event Fares	6,046	500	500
CA Amtrak Contract Revenue	1,628	226	225
	<u>\$1,648,829</u>	<u>\$1,406,827</u>	<u>\$1,470,305</u>

Historical Performance of Fare Policy Derived Fees & Rates

The District's board of directors indicated a willingness to consider fare structure changes in the coming fiscal year. Therefore, staff prepared information pertaining to the last fare structure change previously implemented in October of 2003.

Cash & Pass Programs - Directly Impacted by Fare Structure Changes

	FY 02-03	* FY 03-04	FY 04-05	FY 05-06	FY 06-07	Estimated FY 07-08	Proposed FY 08-09
Regular Cash Fares	\$2,873,103	\$2,980,875	\$2,938,400	\$2,912,105	\$2,903,057	\$3,053,306	\$3,014,027
Sub Total Growth from Prior Year:		\$107,772	(\$42,475)	(\$26,295)	(\$9,048)	\$150,249	(\$39,280)
10-Ride & 30-Day Pass Programs	\$621,650	\$908,028	\$1,233,924	\$1,249,499	\$1,357,435	\$1,579,270	\$1,625,245
Sub Total Growth from Prior Year:		\$286,378	\$325,896	\$15,575	\$107,936	\$221,835	\$45,975
UCSB & SBCC Student Bus Pass Programs	\$896,480	\$1,050,632	\$1,168,763	\$1,162,701	\$1,165,906		
Sub Total Growth from Prior Year:		\$154,152	\$118,131	(\$6,062)	\$3,205		
Total Growth from Prior Year:		\$548,302	\$401,552	(\$16,782)	\$102,093	\$372,084	\$6,695
Ridership:	7,005,474	7,004,009	7,169,752	7,305,879	7,654,659	8,103,787	8,427,939
		(1,465)	165,743	136,127	348,780	449,128	324,152

* The last fare structure change was implemented in October of 2003.

At that time, it was anticipated that riders who paid the full fare with cash would opt for new discounted passes. However, it was believed that the trend would eventually stabilize, while still resulting in greater revenue for the District. The table above indicates that cash fares did indeed decrease year-over-year but were offset somewhat by increased pass sales.

Transportation Development Act – Local Transportation Fund/State Transit Assistance

Transportation Development Act Local Transportation Fund (TDA-LTF) subsidy is made up of a quarter-cent state sales tax. The sales tax is driven by the local economy as the funds are distributed to the counties from which they originate. The District applies TDA-LTF funds against operating expenses and uses excess funds for capital expenditures. It is important to understand that the District's source of local funding for capital acquisitions is typically generated from TDA subsidies. Historically, approximately 50% of all capital costs were paid with TDA funds. This includes Transportation Development Act State Transit Assistance Fund (TDA-STA) receipts (a portion of the state sales tax on diesel fuel etc.), which, combined with TDA-LTF, make up the District's entire TDA subsidy.

Consequently, the percentage of TDA subsidy used to fund operations is probably the best barometer of the District's financial health. Historically, the District has been able to use all TDA-STA receipts for capital expenditures. However, projections indicate that the District will be required to apply its entire TDA-LTD subsidy to operations placing pressure on TDA-STA to fund all capital expenditures in the future.

5307 Federal Operating Assistance

Because the population of the District's urbanized service area remained less than 200,000 as of the 2000 census, the District continues to qualify to use its federal subsidy on operating assistance. Current transit federal spending levels are determined by the surface transportation act referred to as SAFETEA-LU.

SAFETEA-LU set the annual rate of growth for the 5307 program at approximately 1.8%. However, the bill also authorized a new program titled "Small Transit Intensive Tier Communities" (STIC). The program was designed to benefit small communities (population under 200,000) that are classified by the Federal Transit Administration as "Transit Intensive". As a result, the District's region was recognized as "Transit Intensive". This distinction resulted in an additional \$700,000 annually for the District.

Property Tax

Under its original Enabling Act in 1965, the District was given the power to use local property tax to help fund its operations. Upon voter approval of the District formation in 1967, the District requested the County Auditor-Controller to begin collecting such a tax upon the actual commencement of operations in 1969.

The 1977 passage of Proposition 13 limited the growth of taxed assessed values to 1% per annum. Only upon transfer of ownership is the assessed value brought in line with the market value of the property. Additional growth in such revenues will continue to be dependent upon the volume and value of property sales, as assessed values catch up to the market.

Advertising

The District makes advertising space available both inside and outside of its buses and shuttles. The greatest resource expended is sales-related staff time, critical to attracting clients. Rates are determined by the perceived effectiveness of a given location and demand, and thus varies based on ad location and size. The District has budgeted \$425,500 for fiscal year 08-09, which includes a 15% rate increase.

Local Assistance

Local operating assistance of \$1,332,338 consists of the City of Santa Barbara's subsidy of the Crosstown Shuttle, Mesa Loop and support of increased frequencies on the lines serving the Eastside and Westside as well as the State/Hollister corridor. The City of Goleta, County of Santa Barbara and UCSB have also provided financial support for the State/Hollister corridor.

This year's budget will also include, for the first time, local regional Measure D support for the Valley Express as well as a portion of the Clean Air Express servicing the city of Lompoc with financial support from the Santa Barbara County Association of Governments (SBCAG).

Assumptions & Explanations – Expenses

Wages & Benefits

Wage and benefits are budgeted to increase by \$617,484 from fiscal year 07-08 estimates. Wages will increase by \$297,052 or 3.2%, while benefits will increase by \$320,432 or 6.8% above estimated 07-08 figures.

Wages & Fringe Benefits	Actual			Estimated	Proposed
	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Wages	\$7,161,000	\$7,605,000	\$8,334,000	\$9,270,754	\$9,567,806
Fringe Benefits	3,589,000	3,831,000	4,238,000	4,706,798	5,027,230
	\$10,750,000	\$11,436,000	\$12,572,000	\$13,977,552	\$14,595,036

Fringe Benefits Summary

Fringe Benefits	Actual			Estimated	Proposed
	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08	FY 2008-09
Fringe Benefits	\$3,589,000	\$3,831,000	\$4,238,000	\$4,706,798	\$5,027,230
Health Insurance	\$1,094,000	\$1,171,000	\$1,310,000	\$1,457,471	\$1,586,750
Pension	\$845,539	\$908,588	\$1,024,949	\$1,172,338	\$1,238,137
Other (Sick, Vacation, FICA, etc.)	\$1,649,461	\$1,751,412	\$1,903,051	\$2,076,989	\$2,202,343

The table above indicated that the majority of the increase has to do with increasing health and pension related costs. Health benefits are projected to increase by \$129,279 or 8.9%, while pension costs reflect an increase of \$65,799 or 5.6%.

Workers Compensation

Workers' compensation costs are expected to increase to \$596,105 in fiscal year 08-09. These costs are projected to comprise 2.7% of the District's total operating budget. Overall, workers compensation expenditures related to new claims have been trending downward over the past few years.

	Workers' Compensation		
	FY 2006-07	FY 2007-08	FY 2008-09
	Actual	Estimate	Proposed Budget
Total Operating Expense	\$18,021,165	\$19,768,116	\$21,805,030
Workers' Compensation	569,649	541,988	596,105
% of Budget	3.2%	2.7%	2.7%
<u>Breakdown:</u>		Estimate	FY 2008-09 Proposed Budget
Services/Insurance		\$229,546	\$262,605
Payouts/Reserves Adjustments		312,442	333,500

Materials/Supplies

Costs of materials and supplies are budgeted to increase by \$115,433 or 11% as a whole. This is attributable to a projected increase in bus parts issued of \$50,380 above fiscal year 07-08 estimates. The cost of freight and delivery has increased significantly in recent months and is beginning to influence the District’s cost of goods as evidenced in the proposed budget for next year.

	Materials/Supplies		
	FY 2006-07 Actual	FY 2007-08 Estimate	FY 2008-09 Proposed Budget
Total Expense	\$18,021,165	\$19,768,116	\$21,805,030
Materials/Supplies	1,029,593	1,047,759	1,163,192
Significant Changes:			
Tire Lease		\$114,327	\$153,873
Bus Parts Issued		600,364	650,744

Fuel/Electric Bus Power

	Fuel/Electric Bus Power			
	FY 2006-07 Actual	FY 2007-08 Estimate	FY 2008-09 Proposed Budget	Change
Fuel/Electric Bus Power	1,549,711	1,944,244	2,951,980	51.8%

For fiscal year 08-09, fuel related costs are budgeted to increase by \$1,007,736 from prior year estimates and will account for 13.5% of the total operating budget.

The cost of diesel fuel increased dramatically over the past few years. In May, the cost per gallon of diesel fuel exceeded \$4.18. Over the past few years, the District projected a significant increase in fuel, and is predicting a similar result for fiscal year 08-09. Predicting the cost of diesel fuel has become more difficult. However, based on historical trends and forecasts related to “Unleaded Gasoline” futures³, staff is assuming an average cost of \$4.25 per gallon for fiscal year 08/09.

³ Price quotes for NYMEX N.Y. Harbor Unleaded Gasoline

Services

Services			
	FY 2007-08	FY 2008-09	
		Proposed	
	Estimate	Budget	Change
Services	1,841,660	2,020,960	9.7%

Services are budgeted to increase by \$179,300 or 9.7% from fiscal year 07/08 estimates. Services include liabilities, promotions, passenger information, utilities, legal fees and other professional services.

ADA Paratransit Subsidy

Services			
	FY 2007-08	FY 2008-09	
		Proposed	
	Estimate	Budget	Change
ADA	414,913	477,758	15.1%

ADA Paratransit services are contracted to Easy Lift. Fiscal year 08-09 reflects an increase of 15.1. The Consumer Price Index for the Los Angeles – Riverside region for all Consumers equated to an increase of 3.92%, which typically addresses Easy Lift’s request. However, Easy Lift recently requested that the District increase the subsidy to help cover rising operating expenses and increased service requests.

Capital Budget

The District has replaced nearly half of its diesel fleet in the past five years. However, funding replacement of revenue vehicles is a continuous venture. As an independent transit operator, with state TDA funds as the primary source of capital funding, it is very difficult for the District to set aside capital reserves. Historically, approximately 50% of all capital expenditures have been paid with local funds.

Annually, after all local revenues are exhausted, it is necessary to apply the majority of TDA-LTF funds to daily operations. The District's reliance on TDA-LTF to fund operating expenditures has reached its capacity. Thus, the amount of TDA-LTF available for future capital expenditures is non-existent; the District's dependence on other agencies for assistance with capital acquisitions will rise as a result.

With the exception of TDA funds, the Federal Transit Administration (FTA) is the greatest contributor of capital funding. The District has been the recipient of 5309 discretionary federal funds for projects such as the Consolidated Operating Facility and Hybrid Buses. Likewise, the Santa Barbara County Association of Governments, the local Metropolitan Planning Organization, has awarded the District with Congestion Mitigation and Air Quality (CMAQ) funds for bus purchases. Santa Barbara County is no longer an eligible recipient of CMAQ funds.

Transportation Development Act State Transit Assistance – (TDA-STA) is the only regular funding source dedicated solely to capital acquisitions. The “Financial Forecast” on page 26 projects a range of \$750,000 to \$860,000 in TDA-STA funds over the next few years.

Typically, the amount of TDA-STA funding is inadequate to cover the local share of capital cost requiring the District to allocate sufficient TDA-LTF to supplement the need, while also balancing the operating budget. Fortunately, the District has a significant balance of TDA-STA funds to offset the allocation of TDA-LTF to operations for a year or two.

Capital Budget Schedule

CAPITAL PROJECTS

	PROPOSED BUDGET FY 08/09	BUDGET FY 07/08	ESTIMATED FY 07/08
<u>Revenue</u>			
Sales Tax Revenue (TDA - LTF) Current Year	\$0	\$974,483	\$1,243,454
Other Capital Assistance	3,176,175	0	0
State Transit Assistance (TDA - STA) - Current Year	750,000	0	0
State Transit Assistance (TDA - STA) - Prior Year	1,132,321	620,307	760,000
Federal Capital Assistance	3,421,085	0	0
Total Capital Revenue	\$8,479,581	\$1,594,790	\$2,003,454
<u>Expense - Projects</u>			
Buses	\$6,950,000	\$0	\$0
Bus Rehab	637,600	891,000	569,477
Fixed Facilities	275,351	112,000	102,416
WIP - Calle Real Development	25,000	50,000	53,798
Radios & Fareboxes	25,000	25,000	1,000
Service Vehicles	28,000	75,000	74,319
Bus Stops	438,630	125,000	21,086
Shop Equipment	65,000	50,000	95,441
Management Info Systems	55,000	140,000	145,389
Office Furniture & Equipment	5,000	15,000	852
Total Capital Projects	\$8,504,581	\$1,483,000	\$1,063,778
<u>Required to Balance Capital Budget:</u>			
Deferred Credits (TDA - LTF) Prior Year	\$25,000	(\$111,790)	(\$939,676)

In fiscal year 08-09, the District is budgeting for the acquisition of seven diesel buses, eight electric shuttles, and three 29' hybrid buses. In all, it is anticipated that the capital costs of these revenue vehicles will exceed \$6.9 million.

Overall, capital project costs are budgeted to exceed revenues by \$25,000 in fiscal year 08-09 that will be funded with TDA-LTF deferred credits. The majority of costs relate to the acquisition of buses. An additional \$637,600 will be spent related to engine, transmission and battery replacements. Fixed facilities and Calle Real development consist of security camera installation at terminal one and professional service costs associated with Calle Real legal fees. Shop Equipment includes various lifts and a hybrid battery pack lift adapter. Budgeted bus stop costs represent routine replacement of bus benches, trash receptacles and additional shelters, as well as \$313,000 for the "Superstop" project, which is funded with federal CMAQ funds and a contribution from the City of Santa Barbara.

Financial Forecast

OPERATING & CAPITAL BUDGET Financial Forecast

PROPOSED BUDGET FY 08/09	Growth	PROJECTED FY 09/10	Growth	PROJECTED FY 10/11	PROJECTED FY 11/12	PROJECTED FY 12/13
OPERATING REVENUE						
Passenger Fares	1.0%	\$7,384,392		\$7,458,236	\$7,532,818	\$7,608,146
Isla Vista/UCSB Shuttle Fares	0.0%	39,900		79,900	119,800	120,998
Federal Operating Assistance	2.0%	4,164,862		4,248,159	4,333,122	4,419,785
FTA CMAQ Operating Assistance		205,400		476,100	452,900	0
Property Tax Revenue	5.0%	823,254		864,417	907,638	953,020
Local Operating Assistance	3.5%	1,378,970		1,427,234	1,477,187	1,528,888
Non-Transportation Income	2.5%	809,531		829,770	850,514	871,777
Sales Tax Revenue (TDA - LTF)	1.0%	7,053,378	2.0%	7,194,445	7,338,334	7,485,101
Deferred Credits (TDA - LTF) Prior Year		373,971		949,849	1,581,466	2,118,758
<i>Total Operating Revenue</i>		<u>\$21,805,030</u>		<u>\$23,226,237</u>	<u>\$24,159,727</u>	<u>\$25,131,072</u>
OPERATING EXPENSE						
Route Operations	4.0%	\$11,889,438		\$12,365,016	\$12,859,616	\$13,374,001
Isla Vista/UCSB Shuttle		0		539,800	572,700	595,608
Vehicle Maintenance	4.5%	6,381,768		6,668,947	6,969,050	7,282,657
Passenger Accommodations	3.5%	1,699,852		1,820,923	1,884,656	1,950,619
General Overhead	3.5%	2,566,072		2,748,840	2,845,050	2,944,626
<i>Total Operating Expense</i>		<u>\$21,805,030</u>		<u>\$23,226,237</u>	<u>\$24,159,727</u>	<u>\$25,131,072</u>
CAPITAL REVENUE						
Sales Tax Revenue (TDA - LTF) Current Year		\$0		\$0	\$0	\$0
Deferred Credits (TDA - LTF) Prior Year		\$25,000		\$525,850	\$559,081	\$380,087
Other Capital Assistance		3,176,175		0	0	0
State Transit Assistance (TDA - STA) - Current Year	3.5%	750,000		776,250	803,419	831,538
State Transit Assistance (TDA - STA) - Prior Year		1,132,321		1,727,986	0	0
Federal Capital Assistance		3,421,085		0	0	0
<i>Total Capital Revenue</i>		<u>\$8,504,581</u>		<u>\$3,030,086</u>	<u>\$1,362,500</u>	<u>\$1,211,625</u>
CAPITAL PROJECTS						
Buses		\$6,950,000		\$0	\$0	\$0
Bus Rehab		637,600		650,000	682,500	716,625
Fixed Facilities		275,351		50,000	60,000	70,000
WIP - Calle Real Development		25,000		0	0	0
Fareboxes & Radios		25,000		45,000	300,000	45,000
Service Vehicles		28,000		240,000	75,000	125,000
Bus Stops		438,630		125,000	125,000	125,000
Shop Equipment		65,000		50,000	50,000	50,000
Management Info Systems		55,000		55,000	55,000	65,000
Intelligent Transportation Systems		0		1,800,086	0	0
Office Furniture & Equipment		5,000		15,000	15,000	15,000
<i>Total Capital Projects</i>		<u>\$8,504,581</u>		<u>\$3,030,086</u>	<u>\$1,362,500</u>	<u>\$1,211,625</u>
TOTAL OPERATING & CAPITAL		<u>\$30,309,611</u>		<u>\$26,256,323</u>	<u>\$25,522,227</u>	<u>\$26,342,697</u>
Deferred Credits:						
Beginning Balance		\$7,330,378		\$6,931,407	\$6,278,708	\$4,138,161
Deferred Credits (TDA - LTF) Prior Year		(398,971)		(1,475,699)	(2,140,547)	(2,498,845)
Refund for Underground Storage Tanks		0		823,000	0	0
Ending Balance		<u>\$6,931,407</u>		<u>\$6,278,708</u>	<u>\$4,138,161</u>	<u>\$1,639,316</u>

During the next few years routine capital expenditures such as engine and transmissions, facility improvements etc. will continue. The District and the City of Santa Barbara are in the process of assessing the viability of the downtown Transit Village project. With the exception of the Transit Village project, the only other major capital projects under consideration are the Automated Vehicle Location (AVL), Nova bus replacement and a Photovoltaic system.

The AVL project has been budgeted in the past but was recently deferred until fiscal year 09-10. The District set aside sufficient TDA-STA funds to cover the projected cost of this project but has deferred its commencement as a precaution. The District is also hopeful that SBCAG might opt to consider funding a portion of this project with federal earmark funds they were awarded for a South Coast intelligent transportation systems project.

The District received a \$2.4 million appropriation of Proposition 1B – Public Transit Modernization, Improvement and Service Enhancement Account (PTMISEA) funds for fiscal year 07-08, which was allocated for seven replacement 40’ buses. These buses will replace seven 40’ 1992 Flxble buses. The District anticipates receiving additional appropriations in the future, although the exact timetable is unknown. The board will decide which capital projects should be funded. Bus replacement and the Photovoltaic system are currently on top of the list for consideration for PTMISEA funding.

Major Capital Improvement Program

Project Description	Projected Cost	Allocated Funding Source	Potential Funding Source
1 Security Camera and Accessibility System	\$240,000	Prop. 1B - Transit Safety & Security	
2 Automated Vehicle Location (AVL)	1,800,000	TDA-STA (FY 09-10)	SBCAG Federal Earmark
3 Backup Power Generators (Term 1)	150,000	-	Prop. 1B - Transit Safety & Security
4 Nova Bus Replacements (33 buses)*	14,965,675	-	Prop 1B - PTMISEA/Federal 5309 Earmarks/TDA-STA
5 Photovoltaic System (\$700,000 - \$1,250,000)	1,250,000	-	Prop 1B - PTMISEA/TDA-STA
6 Bus Signal Priority (State/Hollister - city of SB)	120,000	-	Prop 1B - PTMISEA/TDA-STA/SBCAG Federal Earmark
Total:	\$18,285,675		

Pending Projects

Project Description	Projected Cost	Allocated Funding Source	Potential Funding Source
1 Transit Center Capacity Improvements	To be Determined	-	-

Bus stop, service vehicles, bus rehabilitation and shop equipment are examples of capital costs that are covered by TDA-LTF and TDA-STA as needed. TDA-STA funding levels have varied from year-to-year. The District budgets conservatively and any surplus or unexpected TDA-STA are typically made available for "Major Capital Improvement Projects".

* See, "Capital Replacement Schedule (Buses/Shuttles) for a detailed listing of pending bus replacements.

Capital Replacement Schedule (Buses/Shuttles)

Capital Replacement Projection (Buses & Shuttles)

Fleet Type	Qty	Acq. Date	FY09 Cost per Vehicle	Projected Cost per Vehicle	Total Cost	MTD % Share	MTD Projected Cost
1991- 1994 Shuttle (1,2,10)	3	FY09	\$330,000	\$330,000	\$990,000	11.5%	\$113,850
1991 - 1994 Shuttle (3,4,5,6 & 22)	5	FY09	330,000	330,000	1,650,000	11.5%	189,750
2009 29" Hybrids	3	FY09	550,000	550,000	1,650,000	11.5%	189,750
2009 40' Replacements (Fixbles)	7	FY09	380,000	380,000	2,660,000	100.0%	2,660,000
1991 - 1994 Shuttle (8 &11)	2	FY13	330,000	393,834	787,667	20.0%	157,533
2001 Shuttle (12 - 21)	10	FY13	330,000	393,834	3,938,336	20.0%	787,667
1997 40' Nova	28	FY13	380,000	453,505	12,698,149	20.0%	2,539,630
1998 40" Nova	5	FY13	380,000	453,505	2,267,527	20.0%	453,505
2007 30' Gillig Coaches	3	FY21	370,000	585,974	1,757,923	20.0%	351,585
2004 40' Diesel	15	FY21	380,000	601,811	9,027,171	20.0%	1,805,434
2004 30' Diesel	11	FY21	370,000	585,974	6,445,717	20.0%	1,289,143
2009 29" Hybrids	3	FY24	550,000	968,543	2,905,628	20.0%	581,126
2001 Shuttle (12 - 21)	10	FY25	330,000	602,046	6,020,461	20.0%	1,204,092
1991 - 1994 Shuttle (1,2,3,4,5,6,8,10,11,22)	10	FY25	330,000	602,046	6,020,461	20.0%	1,204,092
2005 40' Hybrid	8	FY25	580,000	1,058,142	8,465,134	20.0%	1,693,027
					\$67,284,173		\$15,220,185

Number of Years: 17
Amount Required per Year: \$3,957,893 \$895,305

CPI applied to vehicle cost: 3.60%

(CPI = The Consumer Price Index to be used shall be the U.S. Department of Labor consumer Price Index for All Urban Consumers, All Items, for Los Angeles - Riverside - Orange County (1982-84=100) as of January of each year.

Appendices

Route Operations Budget Detail

FISCAL YEAR 2008/2009

	Proposed Budget FY 08/09	Final Budget FY 07/08	Change	Estimated FY 07/08
DRIVERS				
Scheduled	\$5,397,776	\$5,146,756	\$251,020	\$5,138,533
Scheduled Overtime	234,138	222,222	11,916	229,855
Unscheduled Pay	183,959	182,792	1,167	189,916
Driver Lite Duty	10,407	15,500	(5,093)	10,815
FICA	506,522	473,418	33,104	474,819
Pension	794,244	759,271	34,973	755,472
Health	784,801	791,899	(7,098)	750,393
Sick Pay	139,897	115,959	23,937	129,505
Vacation Pay	412,051	379,081	32,969	323,665
Holiday Pay	218,976	191,786	27,190	210,083
Other Paid Leave	24,000	23,480	520	21,179
Unemployment Insurance	20,974	22,830	(1,856)	22,085
Uniforms	18,000	21,000	(3,000)	19,455
Drivers Subtotal	<u>\$8,745,744</u>	<u>\$8,345,994</u>	<u>\$399,750</u>	<u>\$8,275,774</u>
DISPATCH & SUPERVISION				
Supervisors	\$134,035	\$133,588	\$447	\$138,532
Staff	155,079	199,851	(44,772)	205,406
FICA	25,772	29,737	(3,966)	36,960
Pension	34,074	37,904	(3,830)	33,621
Health	70,557	72,583	(2,026)	72,480
Sick Pay	5,153	7,710	(2,556)	15,491
Vacation Pay	22,892	31,972	(9,081)	34,504
Holiday Pay	14,226	12,653	1,573	11,680
Other Paid Leave	5,502	4,785	717	3,702
Unemployment Insurance	919	875	44	890
Dispatch & Supervision Subtotal	<u>\$468,208</u>	<u>\$531,657</u>	<u>(\$63,449)</u>	<u>\$553,266</u>
HIRING & TRAINING				
Staff	\$35,686	\$34,250	\$1,436	\$36,120
Student Drivers	53,280	29,840	23,440	54,579
Existing Drivers/Supers	94,512	90,151	4,361	97,579
FICA	14,987	12,680	2,306	11,953
Pension	13,486	8,381	5,105	13,211
Health	22,047	16,908	5,139	20,129
Sick Pay	2,297	3,373	(1,075)	1,814
Vacation Pay	4,207	3,702	505	1,356
Holiday Pay	4,595	3,373	1,222	4,218
Other Paid Leave	1,331	1,070	261	1,257
Unemployment Insurance	294	350	(56)	206
Medical Exams & License Fees	24,100	20,980	3,120	21,730
Employment Advertising	4,950	23,424	(18,474)	4,265
Training, Travel & Meetings	4,300	4,300	0	6,735
Hiring & Training Subtotal	<u>\$280,071</u>	<u>\$252,781</u>	<u>\$27,290</u>	<u>\$275,150</u>

Santa Barbara Metropolitan Transit District Proposed FY 2008-09 Budget

	Proposed Budget FY 08/09	Final Budget FY 07/08	Change	Estimated FY 07/08
<i>RISK & SAFETY</i>				
Wages & Benefits				
Staff	\$61,666	\$59,136	\$2,530	\$56,220
Supervisors	195,737	216,631	(20,895)	213,332
Driver Accident Pay	1,084	1,033	51	1,464
FICA	21,843	23,078	(1,235)	25,042
Pension	26,993	25,651	1,342	20,165
Health	34,577	28,062	6,515	23,029
Sick Pay	3,046	2,917	129	2,333
Vacation Pay	12,494	10,942	1,552	13,167
Holiday Pay	9,487	9,083	404	6,710
Other Paid Leave	2,015	1,931	84	2,334
Unemployment Insurance	478	569	(91)	619
Wages & Benefits Subtotal	\$369,419	\$379,033	(\$9,614)	\$364,416
Public Liability				
Professional Services	\$141,413	\$125,000	\$16,413	\$135,868
Insurance	240,563	215,013	25,550	207,680
Current Year Incident Payouts	20,000	20,000	0	12,771
Current Year Incident Reserves	25,000	25,000	0	47,626
Prior Years Incident Payouts	200,000	200,000	0	153,231
Change in Prior Years Reserves	(160,000)	(160,000)	0	(106,318)
Public Liability Subtotal	\$466,976	\$425,013	\$41,963	\$450,859
Workers' Compensation				
Professional Services	\$195,932	\$198,953	(\$3,022)	\$174,167
Insurance	53,543	48,935	4,608	45,627
Current Year Incident Payouts	25,000	25,000	0	28,784
Current Year Incident Reserves	65,000	65,000	0	57,402
Prior Years Incident Payouts	325,000	325,000	0	274,117
Change in Prior Years Reserves	(50,000)	(50,000)	0	(14,412)
Miscellaneous Risk & Safety	9,500	9,500	0	6,774
Workers' Compensation Subtotal	\$623,975	\$622,388	\$1,587	572,459
<i>Risk & Safety Subtotal</i>	<u>\$1,460,370</u>	<u>\$1,426,434</u>	<u>\$33,936</u>	<u>\$1,387,733</u>
TRANSPORTATION SUBSIDIES				
Dial-a-Ride (Easy Lift)	<u>\$477,758</u>	<u>\$432,793</u>	<u>\$44,966</u>	<u>\$414,913</u>
Transportation Subsidies Subtotal	<u>\$477,758</u>	<u>\$432,793</u>	<u>\$44,966</u>	<u>\$414,913</u>
TOTAL ROUTE OPERATIONS	<u>\$11,432,152</u>	<u>\$10,989,659</u>	<u>\$442,493</u>	<u>\$10,906,837</u>

Vehicle Maintenance Budget Detail

FISCAL YEAR 2008/2009

	Proposed Budget FY 08/09	Final Budget FY 07/08	Change	Estimated FY 07/08
MECHANICS				
Mechanics	\$687,596	\$673,351	\$14,244	\$666,342
Less Mechanic Labor Capitalizati	(39,181)	(24,997)	(14,184)	(\$42,534)
Mechanics-OT	3,918	3,750	169	3,262
FICA	60,706	58,255	2,452	58,755
Pension	84,908	79,264	5,644	81,135
Health	91,121	90,200	921	83,598
Sick Pay	18,285	13,298	4,986	18,079
Vacation Pay	53,032	41,963	11,069	54,192
Holiday Pay	29,255	27,340	1,915	29,886
Other Paid Leave	1,463	1,800	(337)	962
Unemployment Insurance	2,058	2,450	(392)	2,117
Uniforms	12,000	8,000	4,000	10,881
Tool Allowance	15,400	15,400	0	16,200
Mechanics Subtotal	\$1,020,560	\$990,073	\$30,487	\$982,877
CLEANERS & FUELERS				
Service Workers	\$407,132	\$384,428	\$22,705	\$404,258
FICA	33,743	31,571	2,172	34,628
Pension	73,293	63,718	9,575	70,038
Health	92,041	85,800	6,241	99,184
Sick Pay	6,762	5,108	1,654	6,441
Vacation Pay	18,164	16,128	2,036	20,863
Holiday Pay	18,547	15,912	2,635	18,158
Other Paid Leave	706	649	57	312
Unemployment Insurance	1,939	2,303	(364)	1,975
Uniforms	6,760	5,408	1,352	6,557
Medical Exams & License Fees	3,338	3,993	(655)	3,278
Cleaners & Fuelers Subtotal	\$662,425	\$615,017	\$47,407	\$665,694
SUPERVISION				
Staff	\$321,088	\$318,679	\$2,409	\$299,730
FICA	27,456	27,277	179	25,800
Pension	35,890	35,656	234	30,720
Health	93,514	82,299	11,215	76,911
Sick Pay	1,708	3,062	(1,354)	1,288
Vacation Pay	19,019	16,716	2,303	13,832
Holiday Pay	11,389	13,398	(2,010)	13,455
Other Paid Leave	5,694	4,699	995	4,232
Unemployment Insurance	735	919	(184)	1,111
Training, Travel & Meetings	12,500	17,300	(4,800)	8,393
Supervision Subtotal	\$528,994	\$520,006	\$8,988	\$475,471

Santa Barbara Metropolitan Transit District Proposed FY 2008-09 Budget

	Proposed Budget FY 08/09	Final Budget FY 07/08	Change	Estimated FY 07/08
<i>VEHICLE CONSUMABLES</i>				
Fuel & Lubricants	\$2,861,080	\$1,839,008	\$1,022,072	\$1,865,316
Electric Vehicle Power	90,900	90,900	0	78,927
Tire Lease	153,873	143,273	10,600	114,327
Tire Mounting	10,000	10,000	0	6,765
<i>Vehicle Consumables Subtotal</i>	<u>\$3,115,853</u>	<u>\$2,083,181</u>	<u>\$1,032,672</u>	<u>\$2,065,336</u>
<i>VEHICLE PARTS & SUPPLIES</i>				
Bus Parts Issued	\$650,744	\$625,189	\$25,555	\$600,364
Shop Supplies	60,000	55,000	5,000	57,966
Bus Servicing Supplies	14,000	14,000	0	12,796
Hazmat Disposal & Compliance	18,000	14,000	4,000	17,667
<i>Vehicle Part & Supplies Subtotal</i>	<u>\$742,744</u>	<u>\$708,189</u>	<u>\$34,555</u>	<u>\$688,793</u>
<i>VENDOR BUS REPAIRS</i>				
Vandalism Repairs	\$18,750	\$14,750	\$4,000	\$17,684
Accident Damage Repairs	13,500	10,000	3,500	12,463
Accident Claim Collections	(7,500)	(7,500)	0	(9,988)
Other Vendor Repairs	30,000	40,000	(10,000)	24,854
<i>Vendor Bus Repairs Subtotal</i>	<u>\$54,750</u>	<u>\$57,250</u>	<u>(\$2,500)</u>	<u>\$45,013</u>
<i>RISK & SAFETY</i>				
Workers' Comp Services	\$10,312	\$24,471	(\$14,159)	\$7,351
Workers' Comp Insurance	2,818	2,576	243	2,401
Current Year Incident Payouts	1,500	1,500	0	234
Current Year Incident Reserves	2,000	2,000	0	9,600
Prior Years Incident Payouts	25,000	30,000	(5,000)	14,963
Change in Prior Years Reserves	(60,000)	(75,000)	15,000	(58,246)
<i>Risk & Safety Subtotal</i>	<u>(\$18,370)</u>	<u>(\$14,453)</u>	<u>(\$3,916)</u>	<u>(\$23,697)</u>
TOTAL VEHICLE MAINTENANCE	<u><u>\$6,106,955</u></u>	<u><u>\$4,959,263</u></u>	<u><u>\$1,147,692</u></u>	<u><u>\$4,899,487</u></u>

Passenger Accommodations Budget Detail

FISCAL YEAR 2008/2009

	Proposed Budget FY 08/09	Final Budget FY 07/08	Change	Estimated FY 07/08
PASSENGER FACILITIES				
Wages & Benefits				
Supervisors	\$185,974	\$173,664	\$12,309	\$182,729
TC Advisors	104,333	92,811	11,522	86,233
Staff	119,622	116,135	3,488	118,781
FICA	34,888	32,305	2,584	32,837
Pension	36,488	28,171	8,318	33,241
Health	106,392	70,733	35,659	75,576
Sick Pay	8,687	6,310	2,376	7,379
Vacation Pay	21,868	20,301	1,567	31,010
Holiday Pay	15,338	12,076	3,262	12,450
Other Paid Leave	2,787	3,366	(579)	980
Unemployment Insurance	1,507	1,619	(112)	1,443
Wages & Benefits Subtotal	\$637,886	\$557,492	\$80,394	\$582,659
Buildings & Grounds				
TC Contract Maintenance	\$52,160	\$49,060	\$3,100	\$51,281
TC Repairs/Supplies	10,000	15,000	(5,000)	9,509
Bus Stop Repairs/Supplies	20,900	14,900	6,000	21,019
TC Property Insurance	1,450	1,800	(350)	1,455
Buildings & Grounds Subtotal	\$84,510	\$80,760	\$3,750	\$83,264
Passenger Facilities Subtotal	<u>\$722,395</u>	<u>\$638,251</u>	<u>\$84,144</u>	<u>\$665,923</u>
TRANSIT DEVELOPMENT				
Staff	\$207,469	\$201,747	\$5,722	\$197,092
FICA	17,823	17,233	589	17,558
Pension	23,298	22,527	770	22,951
Health	40,258	37,018	3,239	36,510
Sick Pay	2,151	1,142	1,009	3,808
Vacation Pay	15,294	13,822	1,472	14,762
Holiday Pay	5,376	5,708	(332)	9,180
Other Paid Leave	2,688	2,854	(166)	3,535
Unemployment Insurance	441	525	(84)	454
Training, Travel & Meetings	5,000	5,000	0	6,979
Planning Services & Supplies	20,000	50,000	(30,000)	28,167
Transit Development Subtotal	<u>\$339,798</u>	<u>\$357,578</u>	<u>(\$17,780)</u>	<u>\$340,996</u>
PROMOTION & INFORMATION				

Santa Barbara Metropolitan Transit District Proposed FY 2008-09 Budget

	Proposed Budget FY 08/09	Final Budget FY 07/08	Change	Estimated FY 07/08
Wages & Benefits				
Staff	\$78,749	\$74,050	\$4,699	\$75,190
FICA	6,396	6,227	169	6,689
Pension	8,361	8,140	221	7,983
Health	15,995	25,229	(9,234)	21,157
Sick Pay	525	616	(92)	1,011
Vacation Pay	2,235	3,654	(1,419)	4,963
Holiday Pay	1,049	2,054	(1,005)	2,746
Other Paid Leave	1,049	1,027	22	2,457
Unemployment Insurance	147	350	(203)	302
Wages & Benefits Subtotal	\$114,506	\$121,348	(\$6,842)	\$122,498
Outside Services				
Media Ad Placement	128,000	128,000	0	125,423
Brochures & Publications	22,000	22,000	0	17,958
Promotional Giveaways	5,000	10,000	(5,000)	3,913
Bus/Shuttle Decorations	5,000	5,000	0	4,659
Other Promotions	5,000	10,000	(5,000)	8,599
Route Schedules & Information	126,000	126,000	0	124,284
Training, Travel & Meetings	4,500	4,500	0	3,693
Outside Services Subtotal	\$295,500	\$305,500	(\$10,000)	\$288,529
Promotion & Information Subtotal	\$410,006	\$426,848	(\$16,842)	\$411,027
FARE REVENUE COLLECTION				
Wages & Benefits				
Security Officer	\$62,201	\$65,451	(\$3,250)	\$54,330
FICA	5,334	9,803	(4,469)	8,081
Pension	6,973	10,893	(3,921)	8,285
Health	24,425	14,723	9,702	13,463
Sick Pay	854	6,943	(6,089)	8,444
Vacation Pay	3,277	6,106	(2,829)	7,756
Holiday Pay	300	289	10	2,015
Other Paid Leave	1,112	8,221	(7,109)	11,399
Unemployment Insurance	176	210	(34)	208
Wages & Benefits Subtotal	\$104,652	\$122,640	(\$17,988)	\$113,979
Outside Services				
Fare Processing	\$1,000	\$1,000	\$0	\$3,401
Farebox Parts & Repairs	70,000	98,700	(28,700)	61,356
Tickets, Tokens & Transfers	52,000	52,000	0	49,236
Outside Services Subtotal	\$123,000	\$151,700	(\$28,700)	\$113,993
Fare Revenue Collection Subtotal	\$227,652	\$274,340	(\$46,688)	\$227,973
TOTAL PSNGR ACCOMMODATIONS	\$1,699,852	\$1,697,017	\$2,834	\$1,645,919

General Overhead Budget Detail

FISCAL YEAR 2008/2009

	Proposed Budget FY 08/09	Final Budget FY 07/08	Change	Estimated FY 07/08
FINANCE				
Staff	\$331,104	\$322,387	\$8,716	\$320,173
FICA	29,616	28,316	1,301	24,701
Pension	38,714	37,014	1,700	36,210
Health	81,504	74,420	7,084	70,554
Sick Pay	3,040	2,692	348	1,807
Vacation Pay	30,194	24,872	5,322	7,497
Holiday Pay	15,202	13,460	1,742	13,968
Other Paid Leave	7,601	6,730	871	5,158
Unemployment Insurance	779	963	(183)	1,027
Financial Audit Services	42,000	45,000	(3,000)	40,000
<i>Finance Subtotal</i>	<u>\$579,755</u>	<u>\$555,854</u>	<u>\$23,901</u>	<u>\$521,095</u>
PERSONNEL				
Staff	\$60,515	\$62,983	(\$2,467)	\$61,242
FICA	5,322	5,086	235	5,405
Pension	6,956	6,649	307	8,625
Health	12,099	7,628	4,472	9,893
Sick Pay	1,992	254	1,738	2,333
Vacation Pay	3,868	1,856	2,012	2,448
Holiday Pay	2,656	1,269	1,387	2,700
Other Paid Leave	531	127	404	300
Unemployment Insurance	147	88	60	109
<i>Personnel Subtotal</i>	<u>\$94,086</u>	<u>\$85,939</u>	<u>\$8,148</u>	<u>\$93,055</u>
UTILITIES				
Telephone & Data Communications	\$55,000	\$62,000	(\$7,000)	\$46,905
Power, Water & Refuse	123,000	123,000	0	117,233
Two-Way Radios	25,000	25,000	0	17,044
<i>Utilities Subtotal</i>	<u>\$203,000</u>	<u>\$210,000</u>	<u>(\$7,000)</u>	<u>\$181,182</u>
OPERATING FACILITIES				
Wages & Benefits				
Staff	\$39,523	\$37,493	\$2,031	\$38,593
FICA	3,338	3,226	113	3,342
Pension	4,364	4,216	147	4,372
Health	15,746	14,380	1,366	13,848
Sick Pay	658	1,319	(661)	1,484
Vacation Pay	1,646	1,596	50	844
Holiday Pay	1,646	1,596	50	1,724
Other Paid Leave	165	160	5	0
Unemployment Insurance	147	175	(28)	151
<i>Wages & Benefits Subtotal</i>	<u>\$67,234</u>	<u>\$64,161</u>	<u>\$3,073</u>	<u>\$64,359</u>
OPERATING FACILITIES (cont'd)				
Service Vehicles				

Santa Barbara Metropolitan Transit District Proposed FY 2008-09 Budget
FISCAL YEAR 2008/2009

	Proposed Budget FY 08/09	Final Budget FY 07/08	Change	Estimated FY 07/08
Parts & Repairs	\$20,000	\$17,500	\$2,500	\$18,621
Fuel	50,000	46,800	3,200	45,689
Service Vehicles Subtotal	<u>\$70,000</u>	<u>\$64,300</u>	<u>\$5,700</u>	<u>\$64,310</u>
Buildings & Grounds				
Contract Maintenance	\$60,400	\$54,400	\$6,000	\$58,199
Overpass Site	118,425	0	118,425	0
B&G Repairs/Supplies	80,000	60,117	19,884	75,480
Property Insurance	13,050	16,200	(3,150)	13,093
Buildings & Grounds Subtotal	<u>\$271,875</u>	<u>\$130,717</u>	<u>\$141,159</u>	<u>\$146,773</u>
<i>Operating Facilities Subtotal</i>	<u><u>\$409,109</u></u>	<u><u>\$259,177</u></u>	<u><u>\$149,932</u></u>	<u><u>\$275,441</u></u>
<i>DISTRICT ADMINISTRATION</i>				
Wages & Benefits				
Staff	\$434,495	\$414,735	\$19,761	\$427,261
Bus Ad Revenue Placement	5,907	5,138	769	\$5,720
FICA	38,324	36,583	1,741	34,099
Pension	50,097	47,821	2,275	46,311
Health	101,674	92,539	9,135	90,748
Sick Pay	7,018	6,812	206	7,772
Vacation Pay	34,098	37,843	(3,745)	28,850
Holiday Pay	19,317	19,058	259	19,026
Other Paid Leave	6,037	4,765	1,272	5,023
Unemployment Insurance	919	1,138	(219)	1,002
Wages & Benefits Subtotal	<u>\$697,886</u>	<u>\$666,432</u>	<u>\$31,454</u>	<u>\$665,810</u>
Administrative Services				
Directors Fees	\$15,120	\$12,960	\$2,160	\$10,080
Public Officials Insurance	31,224	31,224	0	25,969
Legal Counsel	57,000	57,000	0	48,073
Pension Administration	11,900	11,900	0	7,779
Office Equipment Maintenance	81,644	83,644	(2,000)	81,034
Miscellaneous Services	117,640	145,640	(28,000)	153,533
Office & Computer Supplies	58,000	55,000	3,000	56,351
Dues & Subscriptions	37,075	36,536	539	36,893
Conferences, Meetings & Training	11,000	12,500	(1,500)	10,847
Employee Relations	15,000	17,500	(2,500)	14,840
Retiree Health Insurance	83,433	75,433	8,000	81,267
Mandated Fees & Permits	46,700	46,700	0	35,480
Bus Ad Revenue Program	1,500	10,000	(8,500)	908
Miscellaneous	15,000	15,000	0	9,980
Environmental Cleanup Costs	0	3,000	(3,000)	6,253
Administrative Services Subtotal	<u>\$582,236</u>	<u>\$614,037</u>	<u>(\$31,801)</u>	<u>\$579,289</u>
<i>District Administration Subtotal</i>	<u><u>\$1,280,121</u></u>	<u><u>\$1,280,469</u></u>	<u><u>(\$347)</u></u>	<u><u>\$1,245,099</u></u>
TOTAL GENERAL OVERHEAD	<u><u>\$2,566,072</u></u>	<u><u>\$2,391,439</u></u>	<u><u>\$174,633</u></u>	<u><u>\$2,315,873</u></u>

Capital Project Detail
FISCAL YEAR 2008/2009

<i>REVENUE VEHICLE PURCHASES</i>		
40' Buses (7) (\$380,000)	\$2,660,000	
29' Hybrids (3) (550,000)	1,650,000	
22' Shuttles (8) (\$330,000)	<u>2,640,000</u>	
<i>Subtotal</i>		\$6,950,000
<i>REVENUE VEHICLE IMPROVEMENTS</i>		
Diesel Fleet Drivetrains	\$339,000	
EV Drivetrain/Battery Chargers etc	<u>298,600</u>	
<i>Subtotal</i>		\$637,600
<i>OFFICE FURNITURE & EQUIPMENT</i>		
Office Furniture Allowance	<u>\$5,000</u>	
<i>Subtotal</i>		\$5,000
<i>MANAGEMENT INFORMATION SYSTEMS</i>		
Software Programming	\$10,000	
Mobile On-Time Performance Solution	20,000	
PC Hardware/ Major Software Upgrades	<u>25,000</u>	
<i>Subtotal</i>		\$55,000
<i>SERVICE VEHICLES</i>		
Service Vehicle Replacements (1 @ \$28k)	<u>\$28,000</u>	
<i>Subtotal</i>		\$28,000
<i>BUS STOP EQUIPMENT</i>		
Superstops	\$313,630	
Bus Stop Upgrades	<u>125,000</u>	
<i>Subtotal</i>		\$438,630
<i>FIXED FACILITIES</i>		
Facilities	\$25,000	
Security Improvements T1	240,351	
TC Fixed Facilities	10,000	
WIP - Calle Real Development	<u>25,000</u>	
<i>Subtotal</i>		\$300,351
<i>FAREBOXES & RADIOS</i>		
Farebox & Radio Allowance	<u>\$25,000</u>	
<i>Subtotal</i>		\$25,000
<i>SHOP EQUIPMENT</i>		
Shop Equipment Allowance	<u>\$65,000</u>	
<i>Subtotal</i>		\$65,000
TOTAL CAPITAL PROJECTS		<u><u>\$8,504,581</u></u>

Budgeted Employee Positions

Budgeted Positions FY 08-09

Budgeted Positions by Department

<p>Administration (6) General Manager Administrative Assistant to GM Administrative Assistant/Receptionist Office Manager Manager of IT Manager of Strategic Planning/Compliance</p> <p>Operations (161) Manager of Operations Superintendent of Operations Operations Administrator TC Advisor (4) Drivers (145) Supervisors (9)</p> <p>Human Resources (2) Manager of Human Resources Human Resources Administrator</p> <p>Finance (7) Assistant General Manager/Controller Assistant Controller/Procurements Manager of Accounting Assistant Manager of Accounting Accounting Assistant Accounting Clerk Farebox & Electrical Technician</p>	<p>Maintenance (33) Manager of Maintenance Superintendent of Maintenance Manager of Materials Management Parts Clerk Maintenance Analyst Facilities Manager Mechanics (14) Utility Workers (13)</p> <p>Transit Development & Community Relations (6.5) Manager of Transit Development & Community Relations Scheduler Assistant Manager Planning Marketing Coordinator Graphics Specialist (PT) Bus Stop Maintenance Bus Stop Manager</p>													
	<p>Summary (All Employees)</p> <table> <tbody> <tr> <td>Drivers</td> <td style="text-align: right;">145</td> </tr> <tr> <td>Staff</td> <td style="text-align: right;">34.5</td> </tr> <tr> <td>Mechanics</td> <td style="text-align: right;">14</td> </tr> <tr> <td>Utility</td> <td style="text-align: right;">13</td> </tr> <tr> <td>Supervisors</td> <td style="text-align: right;">9</td> </tr> <tr> <td>Total Budgeted Positions</td> <td style="text-align: right;">215.5</td> </tr> </tbody> </table>	Drivers	145	Staff	34.5	Mechanics	14	Utility	13	Supervisors	9	Total Budgeted Positions	215.5	
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To: Chair Britton
Members of the Board of Directors
From: Sherrie Fisher, General Manager
Date: 5/29/08
Subject: Administrative Update

The regularly scheduled meeting for Tuesday, June 3rd has been postponed.

**The Board of Directors meeting will be held on
Thursday, June 5th
8:30 AM**

**MTD Auditorium
550 Olive Street.**

This meeting will be televised.

On May 29th & 30th the Federal Transit Administration (FTA) auditors conducted the **Triennial Review** of MTD. Staff will update the board at Thursday's meeting.

A **Potluck BBQ honoring MTD's most recent retirees** will take place **Wednesday, June 4th from 11 AM-4 PM** on MTD's patio.

Retirees being honored are:

Henry Andrews, Transit Center Supervisor (36 years).
Antonio Ramirez, Driver (30 years)
Donald Jackson, Driver (21 years)
Inge Holdt, Customer Service Representative (18 years)

The Transit Development Team is completing the steps for the reconfiguration of the **Valley Express** service. In coordination with the Operations staff, they are preparing for the **launch of a Clean Air Express Lompoc** service driven by MTD.

The Marketing Team has updated and distributed collateral in anticipation of MTD's July 1st **advertising rate increase**.

In preparation for the upcoming "Take Me to Fiesta" campaign, the Marketing Team has been working with **Old Spanish Days**. The campaign will highlight all of the Fiesta venues that can be reached by public transit.

Green news! Recycling opportunities will now be available at that the Transit Center. The new recycling receptacles are on order and **recycling at the Transit Center** should begin within the week. Thank you to David Damiano for his coordination efforts on this project.

David Damiano was recently appointed to the Board of the **Santa Barbara Conference and Visitors Bureau and Film Commission**. Congratulations David!

MTD's federal **5307 Operating Grant** for fiscal year 07-08 has been obligated and the funds have been received. Finance staff will be investing the funds in multiple collateralized certificates of deposit.

MTD has been informed that the application in the amount of \$2.4 million in **Proposition 1B – Transit Capital Funds** for seven replacement buses has been awarded. Staff is seeking other funding sources to cover the costs of buying hybrid diesel-electric buses rather than pure diesel.

Finance staff is close to completing the grant process for Proposition **1B – Safety and Security Funds** for the security camera project. We anticipate receipt of the funds within the next 30-days.

As required by the FTA, staff submitted the semi-annual **Disadvantaged Business Enterprise “Uniform Report”** for the period from October 1, 2007 through March 31, 2008.

On May 20th, Steve Maas and I met with UCSB staff regarding the continuation of **UCSB financial assistance** to MTD for the peak-period enhancement to Lines 6 & 11. Steve also met with the UCSB Transportation Alternatives Board (TAB) on May 22nd regarding this topic. We will continue to coordinate with UCSB on this funding.

Increased shuttle service began Memorial weekend with Mike Schumacher, Shuttle Supervisor at the helm. Great job Supervisor Schumacher! This begins summer schedule for electric shuttle service on Cabrillo Street and on State Street.

Verification of Transit Training (aka “VTT”) sessions is required by the Department of Motor Vehicles – DMV. Eight hours of VTT training are mandated annually for each driver to maintain Class B license requirements. Of this, MTD is holding two hour sessions for each driver on June 2nd, 5th, 6th, and 7th. Dr. Jeffery Stauffer will be a guest speaker related to passenger interaction training.

An **overhauled rear axle assembly** has been installed in Bus #405. This makes Bus #403 the priority for the next available rebuilt axle.

Ebus personnel and MTD maintenance staff installed Ebus’ late production design parking brake actuation components on EV’s 18 - 21.

The last of the **six new Ferro Magnetic Ni-Cd chargers** will be installed by the end of today. Performance of the new chargers and the first rebuilt charger is up to manufacturer specifications and MTD expectations. Next week the removed chargers will be surveyed along with the chargers now used for EV’s 14 through 17. Five will be selected for rebuild to use with those buses and one spare charger. A purchase requisition will be issued for the parts required. The parts cost is included in the current fiscal year budget.

Bodywork conducted in-house is in progress on EV #1.

The **Ni-CD battery monitor system** on order from EV America has been delayed to an as yet unspecified date. The individual battery monitor modules (96 per bus) have not been received as previously reported here. They are manufactured in Thailand and EV America had reported that they were completed, but now have incurred some delay. The impact on MTD is not significant and maintenance staff still has high interest in having a system in operation. A call was placed this morning to determine the status, but as of yet no update is available.

The Maintenance Team is awaiting the receipt of the **remaining three charger monitors** for FY 2007/2008 from Stone Electronics.

Purchase of a set of **mobile column lifts** and a set of **EV lead-acid batteries** is in progress.

To mitigate any fire hazards at the District’s **Calle Real** property, maintenance staff removed the weeds and other vegetation.